

**CREATING A FOUNDATION FOR THE  
21ST CENTURY  
FEDERAL WORKFORCE**

**AN ASSESSMENT OF THE IMPLEMENTATION OF THE  
DEPARTMENT OF DEFENSE  
NATIONAL SECURITY PERSONNEL SYSTEM**

*Working for America*



**UNITED STATES OFFICE OF PERSONNEL MANAGEMENT  
MAY 2007**

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The Director

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT  
Washington, DC 20415

## A MESSAGE FROM THE DIRECTOR

May 1, 2007

I am pleased to provide this report of the U. S. Office of Personnel Management's (OPM) independent assessment of the National Security Personnel System (NSPS) implemented by the Department of Defense (DOD). We worked closely with the Department to fulfill the statutory obligation Congress gave to OPM to design a more contemporary and flexible human resource management system for the Department in view of its unique national security mission and we are committed to its success.

OPM is also statutorily charged with improving the strategic human capital management of the Government's civilian workforce, including associated planning and evaluation efforts. To that end, we developed a set of criteria that are essential to the successful implementation of significant human capital system reforms. These criteria were used in this assessment.

The reader should note that the results of the assessment are presented as a "snapshot" in time of the Department's efforts as of April 3, 2007. A summary of our findings can be found in the Executive Dashboards contained in the report. These dashboards provide an overview of the APS's implementation status and identify areas requiring attention.

I want to acknowledge the cooperation we received from DOD in performing this assessment. We trust that our findings will be valuable in ensuring a successful implementation of this critical personnel system.

A handwritten signature in blue ink, appearing to read "LMS", is positioned above the printed name of the Director.

Linda M. Springer  
Director

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# An Assessment of the Implementation of the Department of Defense National Security Personnel System

## Executive Summary

Federal agencies are accelerating their efforts to build contemporary personnel systems to foster leadership and to enhance employee performance. These alternative personnel systems (APSs) have the potential to significantly improve agency performance through changes in the way civilian employees are paid and evaluated. In particular, performance-based and market-sensitive pay systems have proven successful in the private sector and are essential elements of successful APSs.

In 2004, through the National Defense Authorization Act, Congress gave special recognition to the importance of the civilian Department of Defense (DOD) workforce, and signaled its intent for DOD to build an effective infrastructure for aligning human capital management with agency mission requirements, by authorizing the development of an APS for the Department of Defense, the National Security Personnel System (NSPS). Under the Act, the Secretary of Defense and the Director of the Office of Personnel Management were given joint responsibility for prescribing regulations for NSPS.

In keeping with OPM's overarching leadership role in the strategic management of the Government's human capital, including assessing the management of human capital by Federal agencies, OPM is providing this analysis of DOD's implementation of its new authorities. It describes the assessment methodology, the assessment framework, and the results of the analysis. We believe the analysis will be a valuable tool in helping DOD's ongoing implementation of its APS. Through it, OPM also responds to Congress's expectation the agency will fulfill its oversight of alternative personnel systems, in accordance with our statutory mandate.

### *Background*

DOD civilians are unique in the Federal Government because of the integral role they play in an organization with a military function. DOD civilians complement and support the military around the world in every time zone, every day. Just as new threats, new missions, new technology, and new tactics are changing the work of the military, they are changing the work of DOD's 700,000 civilians. To support the interests of the United States in today's national security environment, where unpredictability is the norm and greater agility the imperative, civilians must be an integrated, flexible, and responsive part of the team. Congress recognizes that personnel systems based on outdated assumptions about the nature of public service cannot adequately address the challenges of the 21<sup>st</sup> century national security environment. Thus, the National Defense Authorization Act of 2004 provided authority to the Secretary of Defense and the Director of the Office of Personnel Management to design a flexible and contemporary human resources management system.

The final regulations implementing the NSPS were published on November 1, 2005, in the *Federal Register*. The regulations gave DOD the authority to establish a performance-based and market-sensitive pay system; an occupational classification system; a fair, credible, and transparent employee performance appraisal system; a staffing and workforce shaping system;

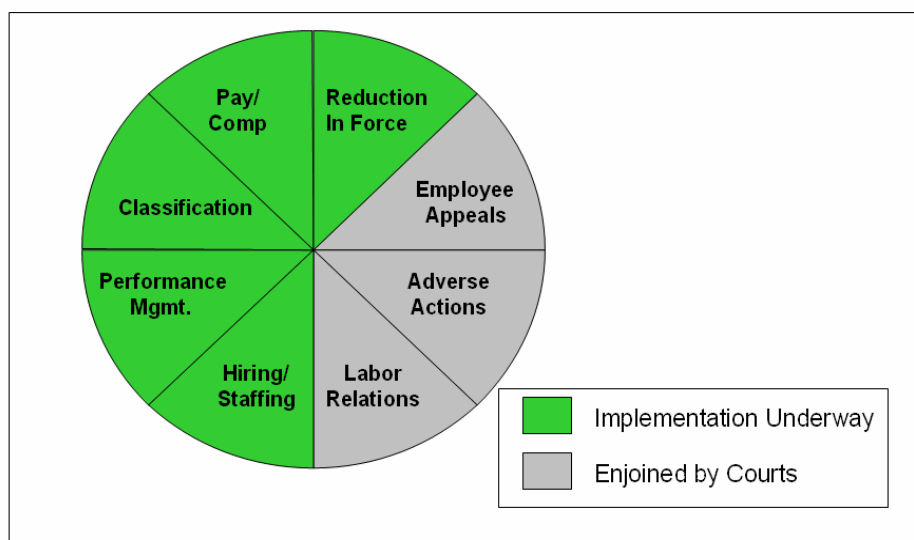
## An Assessment of the Implementation of the Department of Defense National Security Personnel System

and labor relations, adverse actions, and employee appeals systems. To date, DOD has implemented NSPS for about 112,000 employees.

Early on, DOD established a dedicated NSPS Program Executive Office (PEO), separate from the Human Resources organization, to guide system design and implementation. The Department also has many years of experience with conducting a variety of alternative personnel systems. This experience allowed the agency to apply the lessons learned from these projects to support NSPS development and to apply best practices to its implementation, while also providing a large cadre of DOD managers and HR practitioners with the skills to operate effectively in the new environment.

Although DOD worked with more than 40 unions in preparing for and implementing NSPS, DOD and OPM have faced an ongoing court challenge. Currently, the parts of the joint OPM/DOD NSPS regulations dealing with adverse actions, employee appeals, and labor relations are enjoined by the D.C. District Court, pending a decision on the appeal by DOD and OPM to the U.S. Court of Appeals for the D.C. Circuit. Another factor that has influence on DOD's implementation of NSPS is the Pentagon's need to maintain efficient internal operations while at the same time meeting mission requirements.

**Figure E-1: DOD Alternative Personnel System Implementation Status (As of 4/3/2007)**



[d](#)

Figure E-1 illustrates current progress across the NSPS systems. DOD is implementing NSPS using a phased approach. The Department has met all of its milestones in implementing the first phase, Spiral 1.1. Spiral 1.2 was implemented between October 2006 and February 2007, and Spiral 1.3 was implemented between March and April 2007; milestone data are not yet available for these spirals.

## An Assessment of the Implementation of the Department of Defense National Security Personnel System

### *Assessment Framework and Scope*

To answer the growing need for a single framework for evaluating human capital transformation, and to fulfill OPM's responsibilities to assess human capital management programs, OPM developed the Alternative Personnel System (APS) Assessment Framework. The APS Assessment Framework is an evaluation template for determining the extent to which an agency has adequately prepared for and is progressing on the strategic human capital transformation goals and objectives of its implemented APS. The APS Assessment Framework is built on research findings that certain personnel system changes are effective for public sector organizations. The Framework assesses the extent to which these changes are being implemented and are meeting the intended goals and objectives. The APS Assessment Framework is designed to investigate preparedness and progress with respect to alternative personnel systems or parts of such systems that have been implemented. The Framework is not designed to evaluate systems in a pre-implementation status.

The Framework incorporates the OPM Human Capital Accountability and Assessment Framework (HCAAF). As explained in Appendix D, page 55, the HCAAF provides a single, consistent definition of human capital management across the Federal Government. It provides guidance for agency planning, implementation, and evaluation of human capital management systems. The APS assessment criteria are based on the HCAAF, historical data, and best-practice knowledge of the requirements for successful human capital transformation.

The APS Assessment Framework provides a comprehensive methodology for evaluating agency preparedness for and progress on implementation of an APS. There are five Preparedness dimensions that measure effective planning and implementation of the APS, and five Progress dimensions that measure the human capital impact of the APS. The Preparedness dimensions are Leadership Commitment, Open Communication, Training, Stakeholder Involvement, and Implementation Planning. The Progress dimensions are Mission Alignment, Results-Oriented Performance Culture, Workforce Quality, Employee Perceptions, and Effective Implementation. Each dimension is comprised of a number of elements, further defined by key indicators of success.

To conduct the DOD assessment, OPM convened an expert panel to analyze data using the APS Assessment Framework. The experts have demonstrated competency in design, implementation, and evaluation of demonstration projects and/or alternative personnel systems; Federal human capital leadership; program evaluation; and the design and implementation of major human capital systems.

The results of the panel's analysis are presented as a "snapshot" in time of DOD implementation efforts (as of April 3, 2007). A summary of DOD's ratings on Preparedness and Progress can be found in the Executive Dashboards in the following pages. The dashboards provide senior OPM policymakers and the public with an overview of the APS's implementation status, and they identify areas requiring attention.

Figures E-2 and E-3 provide a summary of the dimension ratings.

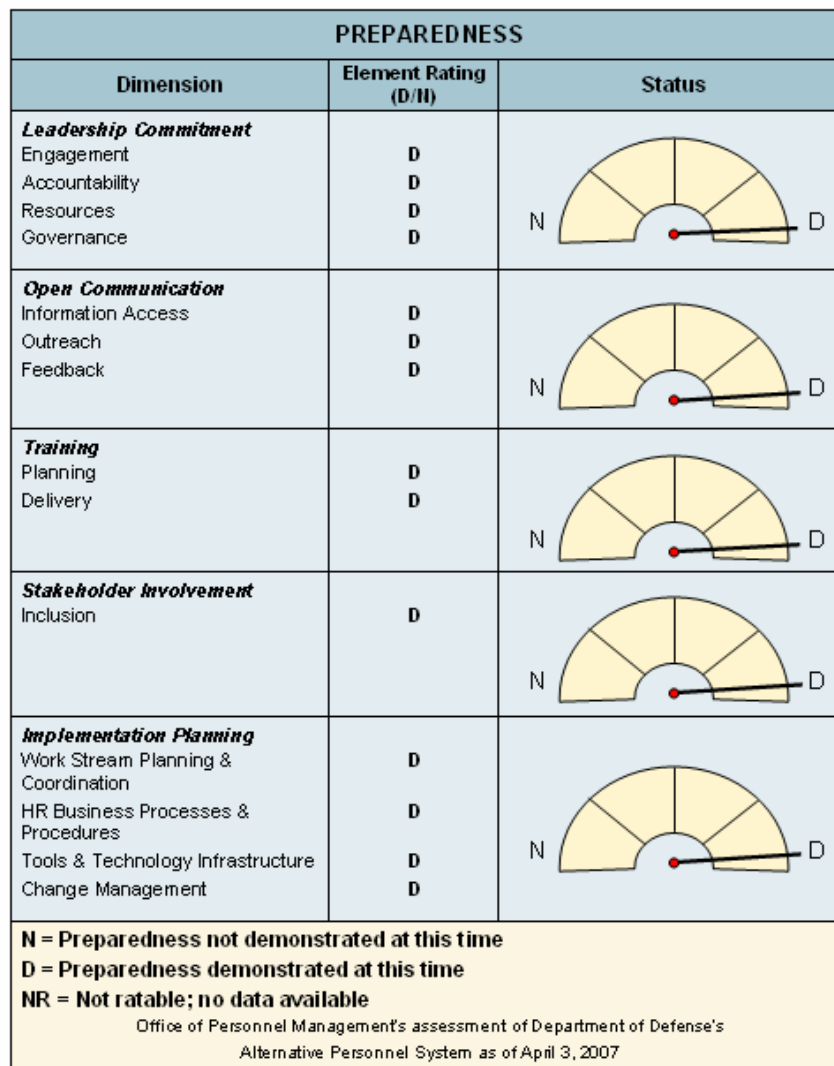
- Each dimension consists of a number of elements.
- Each element is weighted equally toward the combined dimension rating.

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- The combined elements represent the total rating on any dimension.
- The needle on the dashboard represents the rating for the dimension.
- For each element, a rating of “D” indicates preparedness/progress is demonstrated at this time; a rating of “N” indicates preparedness/progress is not demonstrated at this time; and a rating of “NR” indicates the element has not been rated because data are not available at this time.
- Where no data were available for all elements in a Dimension, no rating was made.

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**Figure E-2: Alternative Personnel System (APS)  
Assessment: DOD Preparedness (As of 4/3/2007)**



d

DOD has demonstrated appropriate preparedness on all 5 Preparedness dimensions and all of the 14 Preparedness elements. The Preparedness assessment shows:

- DOD evidenced leadership commitment throughout the Department.
- Top leadership sent out clear instructions to senior leaders and managers across the Department, cascaded accountability for the system throughout DOD, dedicated resources to the effort, and put in place governance structures for the NSPS.
- The Department communicated with stakeholders through a variety of methods, including briefings, town hall meetings, brochures, talking points, videos, and other media.
- The Department invited feedback and comments, especially through its NSPS internal website. As a result of its “meet and confer” process with unions, focus groups conducted with employees, and employee surveys, changes were made to the final NSPS regulations.

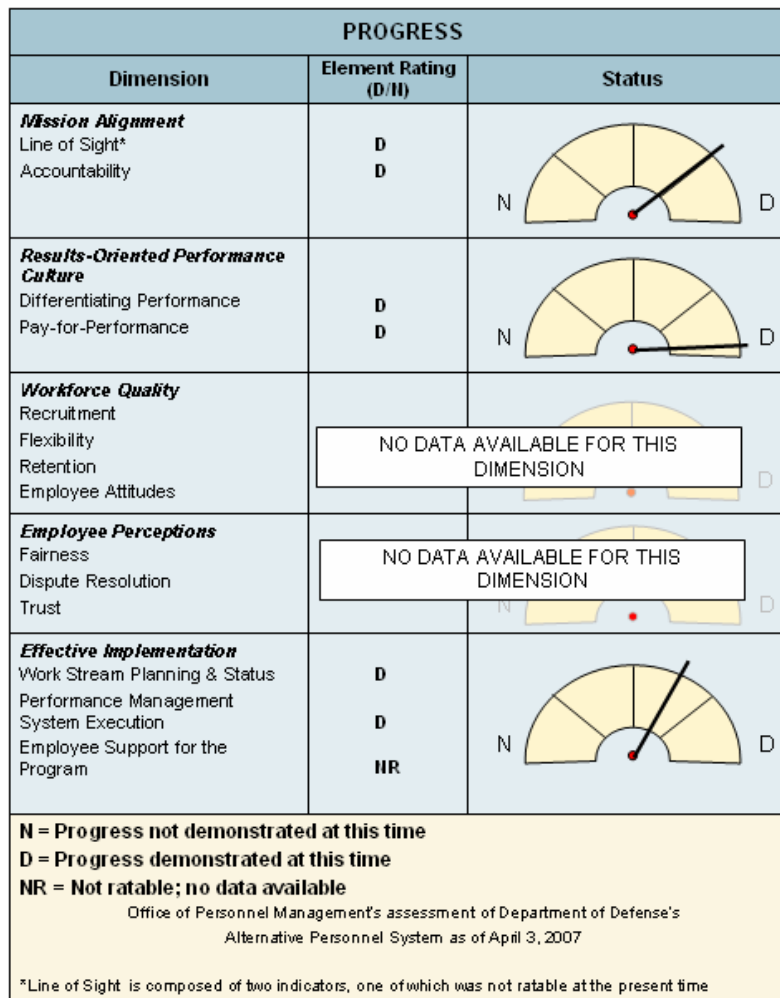
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The Department should continue to engage employees as NSPS evolves and is implemented across the Department.

- DOD has a documented training strategy and a large number of employees receiving training.
- DOD took steps to keep stakeholders involved in program design, development, and implementation by responding to comments received about the proposed NSPS regulations, developing Implementing Issuances in concert with employee representatives, establishing work groups consisting of Component representatives to develop NSPS, and holding meetings with such groups as the Federal Managers Association. Continued success in implementing NSPS depends on continued stakeholder involvement.
- To guide implementation, the Department disseminated Implementing Issuances to explain the features and authorities of NSPS for participants.
- The Department used an NSPS Readiness Tool to support program implementation.

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**Figure E-3: Alternative Personnel System (APS)  
Assessment: DOD Progress (As of 4/3/2007)**



DOD has demonstrated adequate progress in 3 of the 5 Progress dimensions. The panel was able to assess only the Mission Alignment, Results-Oriented Performance Culture, and Effective Implementation dimensions. It is too soon to evaluate the effects of the system on Workforce Quality and Employee Perceptions dimensions. At the element level, DOD demonstrated progress on 6 of the total of 14 Progress elements. Eight elements could not be rated because relevant data were not available at the time of the review. The overall Progress assessment shows:

- DOD has developed a process by which organizational goals can be aligned with performance goals. Furthermore, DOD provided evidence of actual mission alignment between employee goals and the overall organizational mission.
- DOD reviewed performance ratings for accuracy and consistency.
- DOD met its milestones for Spiral 1.1. Spiral 1.2 was implemented between October 2006 and February 2007, and Spiral 1.3 was implemented between March and April 2007; milestone data are not yet available for these spirals.
- The majority of employees covered by NSPS had performance plans created by the required date, and performance appraisals were completed in a timely manner.

## An Assessment of the Implementation of the Department of Defense National Security Personnel System

### *Recommendations*

OPM's recommendations focus on improving assessment ratings, since receiving a rating of "Demonstrated" is based on evidence of implementing program best practices. Based on the expert panel assessment, DOD demonstrated evidence of successful preparation and adequate progress for NSPS implementation. In the future, DOD might consider mandating certain NSPS training courses. Furthermore, due to the enormous challenge DOD faces in implementing NSPS across a complex department, the Department should continue to follow sound implementation practices and continue to promote the active involvement of stakeholders. In the future, DoD should make every effort to capture performance plan data in its department-wide Human Resources Information System (HRIS) or in an automated roll-up from Components' HRIS.

### *Conclusions and Next Steps*

We conclude:

- DOD effectively planned for implementing NSPS.
- DOD implemented NSPS in a relatively small portion of the workforce and data are not yet available to assess several of the progress elements. The data thus far indicate the Department is on track to meet milestones.
- The establishment of the Program Executive Office has been central to successful implementation of NSPS. DOD has structured a well-organized and integrated phased implementation approach.
- DOD should anticipate and plan for the risk of losing implementation momentum, given future senior leadership turnover.

Assessments will be conducted periodically, ideally once every year, to help DOD evaluate specific areas on which to focus future efforts. In the present report, several of the Progress elements were not ratable because of the lack of available data. OPM will reconsider this assessment of progress dimensions when adequate data become available. The reassessment will also focus on new elements of the APS as they are rolled out (e.g., adverse actions).

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## Introduction

The immense mission challenges facing Federal agencies require a transformation of how the civilian workforce is managed. Employees are being asked to assume new and different responsibilities, take more risk, and be more innovative, agile, and accountable than ever before. Furthermore, the Federal government faces significant recruiting and retention challenges in the coming years; within the next 10 years, up to 60% of the Federal workforce will be eligible to retire, potentially leading to diluted critical competencies and institutional knowledge (OPM Director's Desk: [http://www1.opm.gov/directors\\_desk/Archive/2006/retirement.asp](http://www1.opm.gov/directors_desk/Archive/2006/retirement.asp)).

Federal agencies are recognizing the need to improve their ability to recruit and retain highly motivated and qualified employees and are transforming their human capital systems by placing a greater focus on results-oriented performance management and performance-based pay. Traditionally, Federal agencies have used the General Schedule pay system, in which employee pay increases are based in large part on seniority rather than performance. Under this system, employees receive annual pay increases and periodic within-grade pay increases based on satisfactory performance over a given period of time. A number of studies have advocated replacing the traditional General Schedule pay structure with a system that is performance-based and market-sensitive.

Alternative personnel systems (APS) are designed to address longstanding issues in Federal agencies, such as performance management and compensation. Alternative Personnel System (APS) is a commonly accepted term for the host of personnel systems outside of the Competitive Civil Service. They may be established under discrete legislation for an agency or a community of agencies, under the demonstration project provisions of Chapter 47 of title 5 U.S.C., or under new provisions of title 5, which now allow both the Department of Homeland Security and the Department of Defense to set up contemporary human resource management systems. APSs cover various aspects of human resources management. The current emphasis of APSs is on moving away from traditional classification and pay systems toward alternative systems where market rates and performance are central drivers of pay.

### *OPM's Charge*

The Office of Personnel Management (OPM) is statutorily charged with improving the strategic human capital management of the Government's civilian workforce, including associated planning and evaluation efforts. OPM has a requirement and an obligation to support agencies' strategic human capital management efforts, including assessing agency implementation of new systems and programs. In this regard, OPM has developed an assessment framework, built on a series of preparedness and progress criteria that are illustrative of successful alternative personnel system implementations. OPM uses the results of the assessments to improve existing human capital management policies, programs, and operations.

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### *DOD's Authorities*

In 2004, under the National Defense Authorization Act, Congress gave special recognition to the importance of the civilian Department of Defense (DOD) workforce when it authorized the development of the National Security Personnel System (NSPS). In so doing, Congress signaled its intent for DOD to build an effective infrastructure for aligning strategic human capital management with agency mission requirements. DOD was given authority to implement a new human resources management system, comprising classification, pay/compensation, reduction in force, hiring/staffing, performance management, employee appeals, adverse actions, and labor relations systems. Though the employee appeals, adverse actions, and labor relations systems have been enjoined by the courts, DOD is implementing the remaining systems, described below:

#### **Classification**

DOD is placing jobs in broad “pay bands” based on the nature of the work being performed and required competencies. Progress in those bands will depend on performance, complexity of the job, and market conditions. System goals include creating less detailed position descriptions, protecting classification appeal rights, allowing flexibility in assigning employees new or different work, and promoting broader skill development and advancement opportunities within and across pay bands.

#### **Pay/Compensation**

DOD is basing annual raises and bonuses on performance and providing higher pay raises to high-performing employees. Rate range increases are sensitive to the overall labor market and may vary by pay band. Local market supplement increases may be provided based on occupational local market conditions. Rate ranges and local market supplements will be reviewed annually.

#### **Reduction in Force**

The focus on the reduction in force initiative is to create a streamlined, mission responsive workforce. Four factors will inform retention decisions including tenure, veteran status, performance, and seniority. Displaced employees may receive two years of retained pay.

#### **Hiring/Staffing**

Under the hiring/staffing initiative, DOD hiring authorities provide more flexibility to respond to mission changes. DOD is streamlining hiring processes, providing market-sensitive and performance-based pay setting flexibilities to retain higher performing employees and attract quality candidates, providing longer probationary periods to allow more time to evaluate new employees, and protecting veterans’ preference rights.

#### **Performance Management**

The focus of the performance management initiative is the establishment of direct links among pay, performance, and mission accomplishment, as well as the identification of

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meaningful distinctions in employee performance. DOD's goals for the system include that it is fair, credible, transparent, and robust enough to support pay decisions.

### *NSPS Background and Implementation Status*

DOD civilians are unique in the Federal Government because of the integral role they play in an organization that has a military function. DOD civilians must complement and support the military around the world in every time zone, every day. Just as new threats, new missions, new technology, and new tactics are changing the work of the military, they are changing the work of DOD's 700,000 civilians. To support the interests of the United States in today's national security environment, where unpredictability is the norm and greater agility the imperative, civilians must be an integrated, flexible, and responsive part of the team. Congress recognizes personnel systems based on outdated assumptions about the nature of public service can not adequately address the challenges of the 21<sup>st</sup> century national security environment. Thus, the National Defense Authorization Act of 2004 provided authority to the Secretary of Defense and the Director of the Office of Personnel Management to design a flexible and contemporary human resources management system. The final regulations implementing NSPS were published on November 1, 2005, in the *Federal Register*. To date, DOD has implemented NSPS for about 112,000 employees.

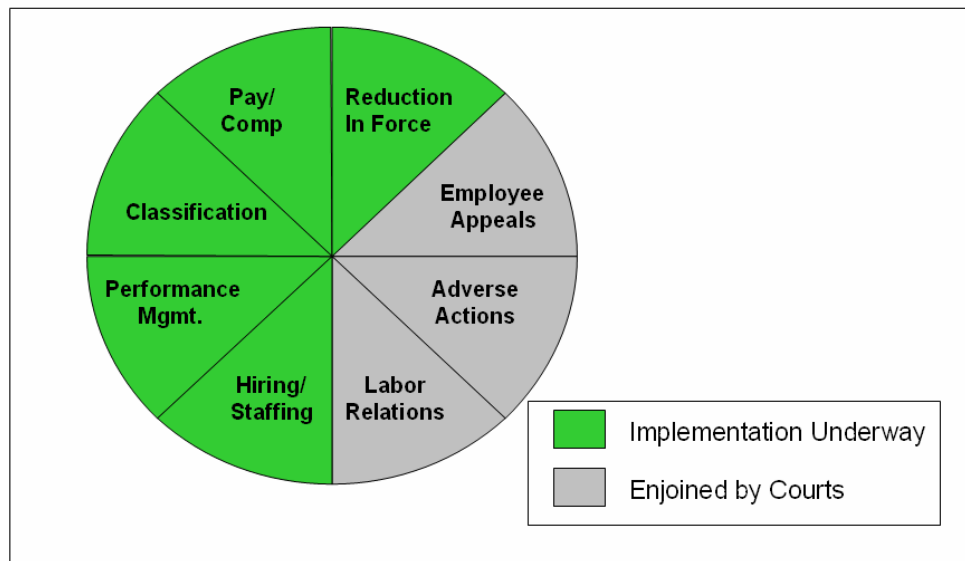
Early on, DOD established a dedicated NSPS Program Executive Office (PEO), separate from the Human Resources organization, to guide system design and implementation. The Department also has many years of experience with conducting a variety of alternative personnel systems. This experience allowed the agency to apply the lessons learned from these projects to support NSPS development and to apply best practices to the implementation, while also providing a large cadre of DOD managers and HR practitioners with the skills to operate effectively in the new environment.

In preparing for and implementing NSPS, DOD worked with more than 40 unions. DOD and OPM are involved in an ongoing lawsuit. Currently, the parts of the joint OPM/DOD NSPS regulations dealing with adverse actions, employee appeals, and labor relations are enjoined by the D.C. District Court, pending a decision on the appeal by DOD and OPM to the U.S. Court of Appeals for the D.C. Circuit. Another factor having a potential influence on DOD's implementation of NSPS is the Pentagon's need to maintain efficient internal operations while at the same time meeting mission requirements.

DOD is implementing NSPS using a phased approach. The Department has met all of its milestones in implementing the first phase, Spiral 1.1. Spiral 1.2 was implemented between October 2006 and February 2007, and Spiral 1.3 was implemented between March and April 2007; milestone data are not yet available for these phases. Figure 1 illustrates current progress across the NSPS systems.

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**Figure 1: DOD Alternative Personnel System Implementation Status  
As of April 3, 2007**



### *OPM's Evaluation Approach*

Implementation of the new APS in DOD provides an ideal opportunity for OPM to assess how flexible, contemporary human resource systems meet human capital goals and objectives. The results of this assessment will influence whether such systems are authorized on a Governmentwide scale. Accordingly, OPM developed an assessment framework based on qualitative data analysis. When used as a tool for program evaluation, qualitative data analysis can provide several advantages (Weiss, 1998):

- Greater awareness of the perspective of program participants or product users.
- Capability for understanding dynamic developments in a program (process) as it evolves.
- Awareness of time and history.
- Sensitivity to the influence of context.
- Ability to “enter the program scene” without contrived preconceptions.
- Alertness to unanticipated and unplanned events.

Research is designated as qualitative when it includes observation, analysis, and communication of the analysis of these observations to intended audiences (Bachiochi & Weiner, 2004). This type of data analysis allows researchers to gather data about programs, people who participate in them or are affected by them, and the people who develop and use them (Patton, 2002). There are several situations in which researchers should use qualitative data analysis:

- Studying process—the aim of the study is to understand the internal dynamics of program operations.

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- Assessing individualized outcomes—the aim of the study is to investigate how well a program or product meets individual needs.
- Documenting program implementation—the aim of the study is to learn how and the extent to which a product or program was actually implemented.
- Describing diversity across sites where a program or product is used.
- Surfacing quality issues.
- Legislative monitoring.

OPM is using qualitative data analysis because the present study encompasses several of the above situations in the following aspects:

- The internal dynamics of alternative personnel systems.
- The effects of these programs on the employees to which they are applied.
- The process of program implementation for specific alternative personnel systems.
- Further, OPM has a statutory mandate to oversee alternative personnel systems.

The assessment process involved five steps:

- Development of the APS Assessment Framework, which is an evaluation template for determining the extent to which an agency is adequately preparing for and progressing on the human capital transformational goals and objectives of its APS (see Appendix C);
- Identification of assessment criteria, or indicators based on a combination of historical data, best practices, lessons learned associated with the implementation of APS programs and/or other enterprise-scale human capital systems, literature reviews, and input from subject matter experts (see Appendix E);
- Collection of data collected from a variety of sources (see Appendix F);
- Formation of an expert panel to conduct the actual assessment; and
- Completion and submission of the assessment report.

### *OPM's Alternative Personnel System (APS) Assessment Framework*

OPM developed the Alternative Personnel System (APS) Assessment Framework as a structure for determining the extent to which an agency has adequately prepared for and is progressing on the strategic human capital transformation goals and objectives of its implemented APS. The APS Assessment Framework is built on research findings that certain personnel system changes are effective for public sector organizations. The Framework assesses the extent to which these changes are being implemented and are meeting their intended goals and objectives. The APS Assessment Framework is designed to investigate preparedness and progress with respect to alternative personnel systems or parts of such systems that have been implemented. It is not designed to evaluate systems that are in a pre-implementation status.

The APS Assessment Framework incorporates the OPM Human Capital Accountability and Assessment Framework (HCAAF). As explained in Appendix D, page 55, the HCAAF provides a single, consistent definition of human capital management across the Federal Government. It provides guidance for, and requires agency planning, implementation and evaluation of, human

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capital management systems. The APS assessment criteria are based on the HCAAF, historical data, and best-practice knowledge of the requirements for successful human capital transformation.

The Framework provides a comprehensive methodology for evaluating agency preparedness for and progress on implementation of an APS. In the Framework, there are five Preparedness dimensions that measure effective planning and implementation of the APS, and five Progress dimensions that measure the human capital impact of the APS. The Preparedness dimensions are Leadership Commitment, Open Communication, Training, Stakeholder Involvement, and Implementation Planning. The Progress dimensions are Mission Alignment, Results-Oriented Performance Culture, Workforce Quality, Employee Perceptions, and Effective Implementation. Each dimension is comprised of a number of elements that are further defined by key indicators of success.

### *About the Report*

OPM convened an expert panel to analyze data using the APS Assessment Framework. Members of the expert panel have demonstrated competency in design, implementation, and evaluation of demonstration projects and/or alternative personnel systems; Federal human capital leadership; program evaluation; and the design and implementation of major human capital systems.

Both the APS Assessment Framework and the Assessment Criteria were developed in consultation with OPM and DOD stakeholders. DOD staff provided valuable comments and suggestions – many of which were incorporated into the current Framework – to OPM in the course of this consultative process.

The results of the panel's analysis are presented as a "snapshot" in time of DOD implementation efforts (as of April 3, 2007). A summary of DOD's ratings on Preparedness and Progress can be found in the Executive Dashboards in the following pages. The dashboards provide senior OPM policymakers and the public with an overview of the APS's implementation status and identify areas requiring attention.

The ratings in this report cover all aspects of NSPS, with a focus on classification, pay/compensation, and performance management. Future assessments will focus on other elements of NSPS as they continue to be implemented.

Currently, there are approximately 112,000 employees under NSPS. This assessment reflects data representing Spiral 1.1 and, to a lesser extent, Spiral 1.2 (see Table 1). Spiral 1.1 started in April 2006 with approximately 11,000 non-bargaining unit employees. The rating cycle ended in October 2006, with the performance payouts in January 2007. Spiral 1.2, involving employees who converted to NSPS between October 2006 and February 2007, included approximately 66,000 non-bargaining unit employees. The rating cycle runs through September 2007, with performance payouts occurring in January 2008. Spiral 1.3 included approximately 35,000 non-bargaining unit employees. Employees converted to NSPS between March and April 2007, with the rating cycle ending in October 2007. The Preparedness assessment includes

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activities directed at Spirals 1.1 and 1.2. The Progress assessment included only those involved in Spiral 1.1, as payouts had been made only for this spiral at the time of the assessment.

**Table 1: Phased Implementation of NSPS**

<b>Spiral</b>	<b>Army</b>	<b>Navy</b>	<b>Air Force</b>	<b>4th Estate*</b>	<b>Total</b>	<b>Conversion</b>	<b>End of Rating Cycle</b>
<b>1.1</b>	2,322	4,294	3,098	1,244	10,958	April 2006	October 2006
<b>1.2</b>	14,314	8,908	35,037	7,410	65,669	Oct 2006 - Feb 2007	October 2007
<b>1.3</b>	26,241	7,571	1,232	318	35,362	March-April 2007	October 2007
				<b>Total</b>	<b>111,989</b>		

[d](#)

\* Every organization, collectively, under the purview of the Department of Defense that is not part of the Department of the Army, Department of the Navy, Department of the Air Force, or the Office of the Inspector General of the Department of Defense. It does not include the Defense Intelligence Agency or the National Security Agency/Central Security Service.

## An Assessment of the Implementation of the Department of Defense National Security Personnel System

### Results

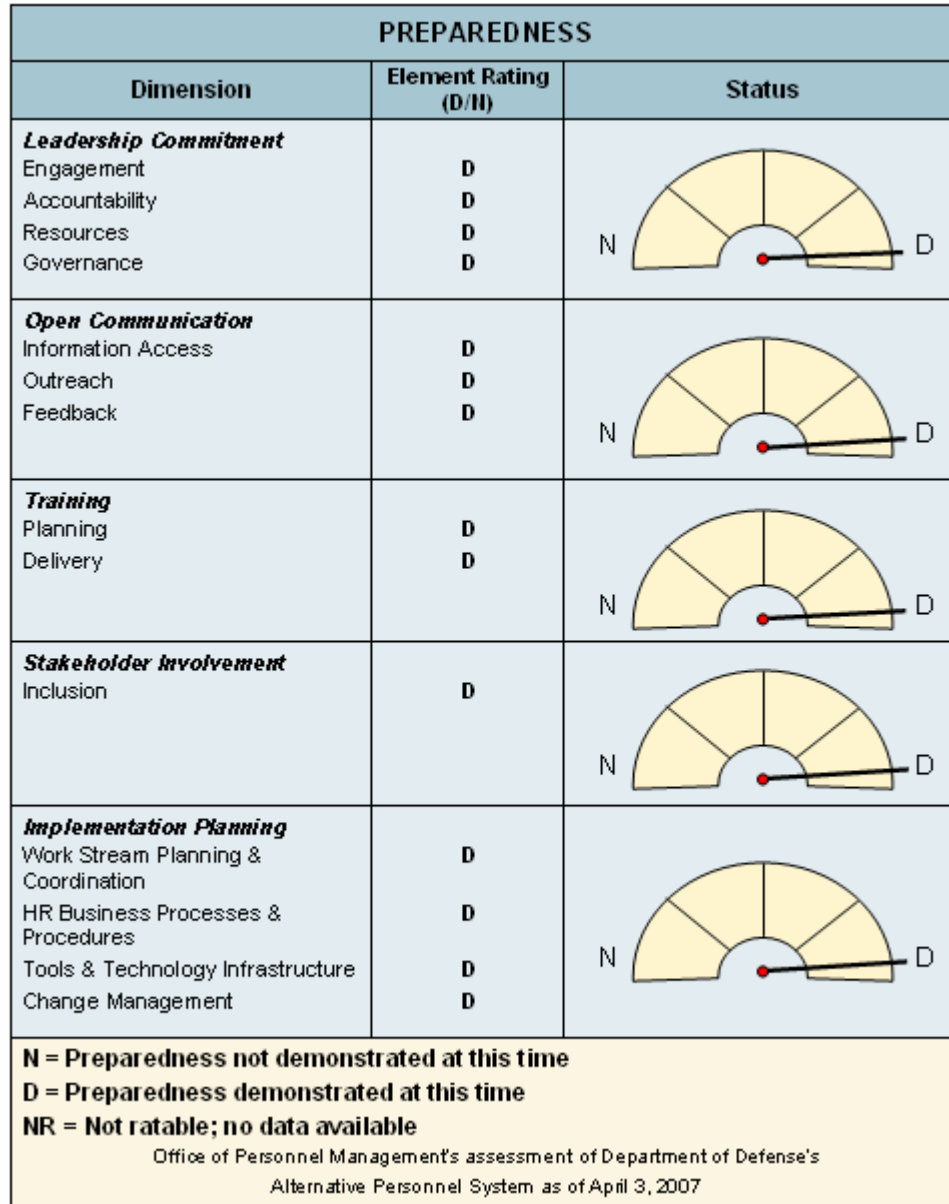
A summary of DOD's ratings on Preparedness and Progress can be found in the Executive Dashboards in the following pages (see Figures 2 and 3). They show the level of Preparedness and Progress DOD has demonstrated and provide senior OPM policymakers and the public with an overview of APS status and readily identify areas requiring special emphasis.

Figures 2 and 3 provide a summary of the dimension ratings.

- Each dimension consists of a number of elements.
- Each element is weighted equally toward the combined dimension rating.
- The combined elements represent the total rating on any dimension.
- The needle on the dashboard represents the rating for the dimension.
- For each element, a rating of "D" indicates preparedness/progress is demonstrated at this time; a rating of "N" indicates preparedness/progress is not demonstrated at this time; and a rating of "NR" indicates the element has not been rated because data are not available at this time.
- Where no data were available for all elements in a dimension, no rating was made.

An Assessment of the Implementation of the Department of Defense  
National Security Personnel System

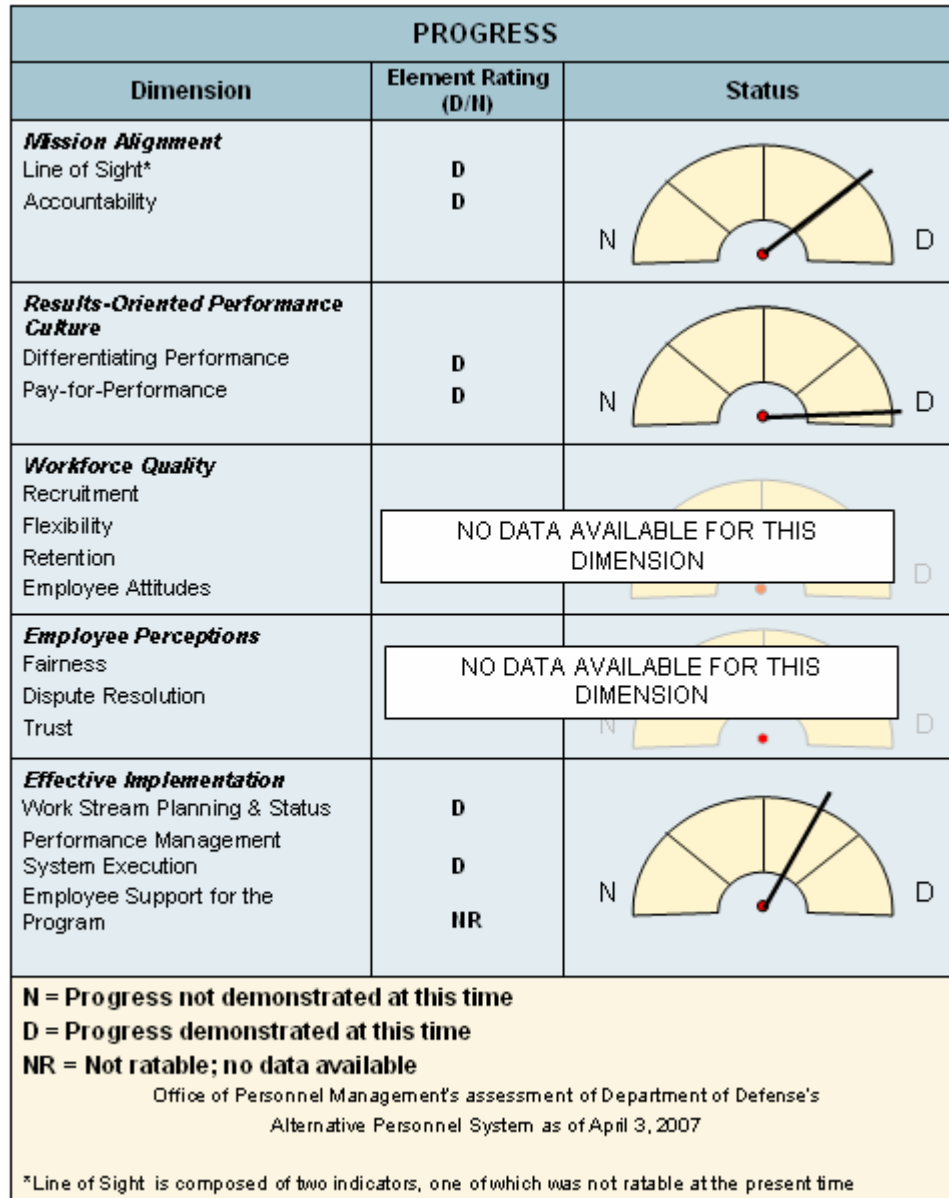
**Figure 2: Alternative Personnel System (APS) Assessment:  
DOD Preparedness Component  
As of April 3, 2007**



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An Assessment of the Implementation of the Department of Defense  
National Security Personnel System

**Figure 3: Alternative Personnel System (APS) Assessment:  
DOD Progress Component  
As of April 3, 2007**

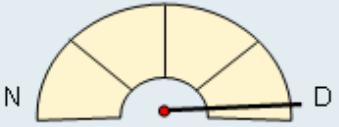


An Assessment of the Implementation of the Department of Defense  
National Security Personnel System

## Implementation Assessment: Preparedness

### *Leadership Commitment*

*Definition:* Agency leaders are actively engaged in promoting and gaining workforce acceptance of the program, as well as prioritizing program implementation. Agency leaders provide appropriate resources for program implementation and are held accountable for effective execution.

PREPAREDNESS		
Dimension	Element Rating (D/II)	Status
<b>Leadership Commitment</b> Engagement Accountability Resources Governance	D D D D	
<b>N = Preparedness not demonstrated at this time</b> <b>D = Preparedness demonstrated at this time</b> <b>NR = Not ratable; no data available</b> <small>Office of Personnel Management's assessment of Department of Defense's Alternative Personnel System as of April 3, 2007</small>		

DOD received a rating of “demonstrated” on all four elements comprising Leadership Commitment.

- In terms of engagement, senior leaders, including an executive champion, participated in outreach activities such as briefings and Congressional testimony throughout the Department and promoted NSPS across the workforce.
- NSPS implementation was identified as a priority in strategic and planning documents.
- Accountability for program implementation has been appropriately cascaded throughout the Department and senior leaders are responsible for key performance parameters of the program.
- DOD provided resources in the areas of authority, staffing, and budget to the NSPS Program Executive Office and identified responsibilities for NSPS design and implementation.
- In terms of governance, the Department established and utilized an effective mechanism for identifying and resolving critical issues associated with program design, development, and implementation.
- DOD laid out authorities and responsibilities for NSPS design and implementation workgroups, established multiple Senior Advisory Groups, and established other senior groups to share lessons learned.

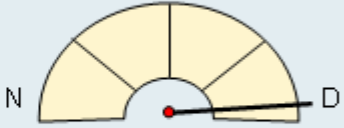
*Taken together, the evidence suggests DOD leadership actively promoted NSPS throughout the workforce, prioritized implementation of NSPS, provided ample resources for program implementation, and took accountability for effective execution of NSPS.*

For further information about Leadership Commitment, including assessment criteria and the rationale for the ratings, please refer to Appendix E.

## An Assessment of the Implementation of the Department of Defense National Security Personnel System

### *Open Communication*

*Definition:* Agency provides accurate, up-to-date information on system features and implementation plans. Active outreach efforts are undertaken to provide information to employees and to address questions and concerns. Effective mechanisms are in place for gathering and considering feedback.

PREPAREDNESS		
Dimension	Element Rating (D/II)	Status
<b>Open Communication</b> Information Access Outreach Feedback	D D D	
<b>N = Preparedness not demonstrated at this time</b> <b>D = Preparedness demonstrated at this time</b> <b>NR = Not ratable; no data available</b> Office of Personnel Management's assessment of Department of Defense's Alternative Personnel System as of April 3, 2007		

[d](#)

DOD received a rating of “demonstrated” on all three elements comprising Open Communication.

- The NSPS websites (both the general NSPS website as well as the Component websites) provide access to detailed and comprehensive information on the NSPS program, including program legislation, regulations, system components, and schedules.
- The websites offer web demos, brochures, user guides, fact sheets, briefings, FAQs, on-line training and additional training resources.
- DOD has established an effective communication strategy to support frequent, varied, and high-quality employee outreach efforts related to NSPS, including town hall briefings, fact sheets, brochures, articles, and electronic updates.
- DOD sought feedback through the Status of Forces Survey for DOD Civilian Employees (SOF-C), the NSPS website, a public comment period on the draft NSPS regulations, and a “meet and confer” period with its unions.
- DOD was assessed as having demonstrated that employee feedback was considered because of the efforts made to date to collect and use employee input. The Department will need to continue to engage employees as NSPS evolves and is implemented across the Department. Evidence also indicated feedback was used to shape the design, development, and implementation of NSPS.

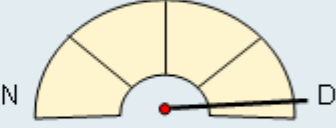
*Taken together, the evidence suggests DOD has provided accurate up-to-date information regarding NSPS features and implementation plans and has actively sought and addressed employee questions and concerns.*

For further information about Open Communication, including assessment criteria and the rationale for the ratings, please refer to Appendix E.

## An Assessment of the Implementation of the Department of Defense National Security Personnel System

### Training

*Definition:* Agency develops and executes a comprehensive training strategy for effective training on relevant components of the program to users via a range of delivery methods.

PREPAREDNESS		
Dimension	Element Rating (D/II)	Status
<b>Training</b> Planning Delivery	<b>D</b> <b>D</b>	
<b>N = Preparedness not demonstrated at this time</b> <b>D = Preparedness demonstrated at this time</b> <b>NR = Not ratable; no data available</b> <small>Office of Personnel Management's assessment of Department of Defense's Alternative Personnel System as of April 3, 2007</small>		

[d](#)

DOD received a rating of “demonstrated” on both elements comprising Training.

- In terms of planning, DOD has established a comprehensive and evolving training strategy, as evidenced in training syllabi and other course descriptions, training brochures, briefings, schedules and bulletins.
- Training requirements for NSPS are identified and communicated and course descriptions highlight the extensiveness of both the technical and operational training opportunities available.
- The overall training strategy offers an effective means for promoting, updating, improving, delivering, tracking, communicating, and continuing critical NSPS training.
- DOD demonstrated that senior leaders, supervisors, and staff received timely, high-quality training through training evaluation and benchmark reports, as well as other training communication documents.
- Training evaluation reports show participants found the training classes to be useful.
- The ability to pull training reports from DOD’s automated personnel system will be a valuable tool to support and track delivery of training as NSPS implementation continues.

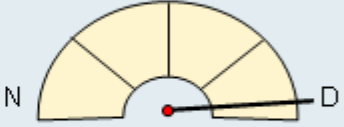
*Taken together, the evidence suggests DOD has developed and executed a comprehensive training strategy to users via a range of delivery methods.*

For further information about Training, including assessment criteria and the rationale for the ratings, please refer to Appendix E.

## An Assessment of the Implementation of the Department of Defense National Security Personnel System

### *Stakeholder Involvement*

*Definition:* Stakeholders are actively involved in the design, development, and implementation of the program.

PREPAREDNESS		
Dimension	Element Rating (D/N)	Status
<b>Stakeholder Involvement</b> Inclusion	D	
<b>N = Preparedness not demonstrated at this time</b> <b>D = Preparedness demonstrated at this time</b> <b>NR = Not ratable; no data available</b> Office of Personnel Management's assessment of Department of Defense's Alternative Personnel System as of April 3, 2007		

[d](#)

DOD received a rating of “demonstrated” on the inclusion element of Stakeholder Involvement.

- DOD provided evidence of stakeholder group engagement throughout the program design, development, and implementation processes through Congressional hearings and various NSPS briefings and communications documents.
- DOD references a public comment period for the draft NSPS regulations, and a statutory “meet and confer” period, which were used to gather input on the NSPS from key stakeholders, including employees, supervisors, union representatives, and the general public.
- The evidence suggests DOD has actively involved stakeholders in the program design and evaluation process.
- Despite their stakeholder activities, key stakeholder groups do not necessarily support NSPS.

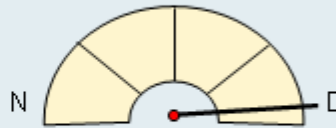
*Taken together, the evidence suggests DOD has actively involved stakeholders throughout program design, development and implementation.*

For further information about Stakeholder Involvement, including assessment criteria and the rationale for the rating, please refer to Appendix E.

## An Assessment of the Implementation of the Department of Defense National Security Personnel System

### *Implementation Planning*

*Definition:* Agency establishes and implements a comprehensive planning process to coordinate activities across key work streams, such as HR business processes and procedures, tools and technology infrastructure, and change management, while providing mechanisms for assessing status and managing risk.

PREPAREDNESS		
Dimension	Element Rating (D/N)	Status
<b>Implementation Planning</b>		
Work Stream Planning & Coordination	D	
HR Business Processes & Procedures	D	
Tools & Technology Infrastructure	D	
Change Management	D	
<b>N = Preparedness not demonstrated at this time</b> <b>D = Preparedness demonstrated at this time</b> <b>NR = Not ratable; no data available</b> Office of Personnel Management's assessment of Department of Defense's Alternative Personnel System as of April 3, 2007		

DOD received a rating of “demonstrated” on all four elements comprising Implementation Planning.

- DOD established an effective work stream planning and coordination process to manage the program design, development, and implementation as evidenced in the NSPS Requirements Document and the NSPS Implementing Issuances.
- DOD addressed key milestones for program elements, including Conversion, Classification, Compensation, Performance Management, Staffing and Employment, and Workforce Shaping.
- In terms of HR Business Processes and Procedures, DOD identified and documented the roles, responsibilities, and procedures for the elements of the NSPS and guides and tutorials related to the major elements of the program.
- DOD’s planning process provided for the design, development, and implementation of automated IT systems and tools enabling NSPS.
- DOD established, maintained, and executed a change management strategy to promote organization change readiness, including components such as leadership commitment, communications, stakeholder management, and training transition issues.

*Taken together, the evidence suggests DOD has established and implemented a comprehensive planning process that coordinates activities across work streams such as HR business processes and procedures, tools and technology infrastructure, and change management. Furthermore, DOD has provided mechanisms for assessing implementation status and managing risk.*

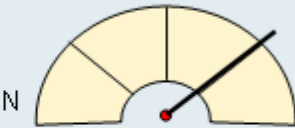
For further information about Implementation Planning, including assessment criteria and the rationale for the ratings, please refer to Appendix E.

# An Assessment of the Implementation of the Department of Defense National Security Personnel System

## Implementation Assessment: Progress

### *Mission Alignment*

*Definition:* The program effectively links individual, team, and unit performance to organizational goals and desired results.

PROGRESS		
Dimension	Element Rating (D/N)	Status
<b>Mission Alignment</b> Line of Sight* Accountability	D D	
<b>N = Progress not demonstrated at this time</b> <b>D = Progress demonstrated at this time</b> <b>NR = Not ratable; no data available</b> Office of Personnel Management's assessment of Department of Defense's Alternative Personnel System as of April 3, 2007 *Line of Sight is composed of two indicators, one of which was not ratable at the present time		

DOD received a rating of “demonstrated” on both elements comprising Mission Alignment. Due to the lack of available data, the indicator regarding the extent to which employees believe their work is related to the goals of the agency could not be rated.

- DOD has established a process by which organizational goals can be aligned with individual performance goals, and has demonstrated a majority of employees covered by NSPS have performance plans including individual goals aligned with identified organizational, team, and/or supervisor goals.
- In terms of accountability, DOD sufficiently demonstrated accountability for the achievement of individual performance objectives linked to its mission and goals.

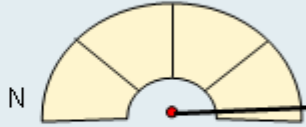
*Taken together, the evidence suggests NSPS effectively links individual, team, and unit performance to organizational goals and desired results.*

For further information about Mission Alignment, including assessment criteria and the rationale for the ratings, please refer to Appendix E. See Appendix H for a summary of the response history for employee survey items.

## An Assessment of the Implementation of the Department of Defense National Security Personnel System

### *Results-Oriented Performance Culture*

**Definition:** The program promotes a high performance workforce by differentiating between high and low performers and by rewarding employees on the basis of performance.

PROGRESS		
Dimension	Element Rating (D/N)	Status
<b>Results-Oriented Performance Culture</b> Differentiating Performance Pay-for-Performance	D D	
<b>N = Progress not demonstrated at this time</b> <b>D = Progress demonstrated at this time</b> <b>NR = Not ratable; no data available</b> Office of Personnel Management's assessment of Department of Defense's Alternative Personnel System as of April 3, 2007		

[d](#)

DOD received a rating of “demonstrated” on both elements comprising Results-Oriented Performance Culture.

- In terms of differentiating performance, DOD demonstrated evidence the distribution of performance ratings was reviewed by the appropriate leadership to assure accuracy and consistency in ratings.
- DOD provided evidence employees are rewarded on the basis of performance. Higher performers receive larger salary increases and bonuses than lower performers.

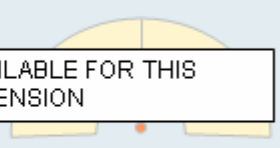
*The evidence suggests NSPS promotes a high performance workforce by differentiating between high and low performers and by rewarding employees based on performance.*

For further information about Results-Oriented Performance Culture, including assessment criteria and the rationale for the ratings, please refer to Appendix E. See Appendix H for a summary of the response history for employee survey items.

An Assessment of the Implementation of the Department of Defense  
National Security Personnel System

*Workforce Quality*

*Definition:* Agency retains its high performers, keeps employees satisfied and committed, attracts high-quality new hires, and transitions its low performers out of the organization.

PROGRESS		
Dimension	Element Rating (D/N)	Status
<b>Workforce Quality</b> Recruitment Flexibility Retention Employee Attitudes		
<b>N = Progress not demonstrated at this time</b> <b>D = Progress demonstrated at this time</b> <b>NR = Not ratable; no data available</b> Office of Personnel Management's assessment of Department of Defense's Alternative Personnel System as of April 3, 2007		

None of the elements comprising Workforce Quality could be rated at the present time.

For information about Workforce Quality, including assessment criteria, please refer to Appendix E. See Appendix H for a summary of the response history for employee survey items.

An Assessment of the Implementation of the Department of Defense  
National Security Personnel System

*Employee Perceptions*

*Definition:* The program promotes an environment of fairness and trust for employees, consistent with the Merit System Principles and free of Prohibited Personnel Practices.

PROGRESS		
Dimension	Element Rating (D/N)	Status
<b><i>Employee Perceptions</i></b> Fairness Dispute Resolution Trust	<div>NO DATA AVAILABLE FOR THIS DIMENSION</div>	
<b>N = Progress not demonstrated at this time</b> <b>D = Progress demonstrated at this time</b> <b>NR = Not ratable; no data available</b> Office of Personnel Management's assessment of Department of Defense's Alternative Personnel System as of April 3, 2007		

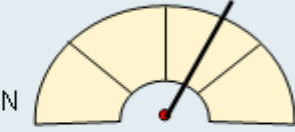
None of the elements comprising Employee Perceptions could be rated at the present time.

For information about Employee Perceptions, including assessment criteria, please refer to Appendix E. See Appendix H for a summary of the response history for employee survey items.

## An Assessment of the Implementation of the Department of Defense National Security Personnel System

### *Effective Implementation*

*Definition:* Agency demonstrates progress in implementing the program in accordance with its comprehensive planning process.

PROGRESS		
Dimension	Element Rating (D/N)	Status
<b><i>Effective Implementation</i></b> Work Stream Planning & Status Performance Management System Execution Employee Support for the Program	D  D  NR	
<b>N = Progress not demonstrated at this time</b> <b>D = Progress demonstrated at this time</b> <b>NR = Not ratable; no data available</b> Office of Personnel Management's assessment of Department of Defense's Alternative Personnel System as of April 3, 2007		

DOD received a rating of “demonstrated” on the Work Stream Planning and Status element and the Performance Management and Execution element. The third element, Employee Support for the Program, could not be rated at this time.

- In terms of work stream planning and status, DOD demonstrated evidence of the implementation program being in compliance with the work stream planning process.
- DOD demonstrated that the majority of employees covered by NSPS had performance plans created by the required date and received annual performance reviews within the identified timeframes.

*Overall, DOD successfully demonstrated that the program is in compliance with the work stream planning process and performance management system execution is timely.*

For further information about Effective Implementation, including assessment criteria and the rationale for the ratings, please refer to Appendix E. See Appendix H for a summary of the response history for employee survey items.

## **Recommendations**

OPM's recommendations focus on improving assessment ratings, since receiving a rating of "Demonstrated" is based on evidence of implementing program best practices. Based on the expert panel assessment, DOD demonstrated evidence of successful preparation for NSPS implementation. Panel members identified a few areas in which improvements could serve to further strengthen the level of preparedness and therefore improve the ability of DOD to continue implementing NSPS. Given the large, complex nature of the DOD NSPS workforce and anticipated senior leadership turnover, DOD should anticipate and plan for the risk of losing implementation momentum.

### **Open Communication (Feedback)**

The Department invited feedback and comments, especially through its NSPS internal website. As a result of its "meet and confer" process with unions, focus groups conducted with employees, and employee surveys, changes were made to the final NSPS regulations. The Department should continue to engage employees as NSPS evolves and is implemented across the Department.

### **Training (Delivery)**

To ensure the broadest possible audience, DOD should consider making some NSPS training courses mandatory throughout the Department.

### **Stakeholder Involvement (Inclusion)**

DOD took steps to keep stakeholders involved in program design, development, and implementation by responding to comments received about the proposed NSPS regulations, developing implementing issuances in concert with employee representatives, establishing work groups consisting of Component representatives to develop NSPS, and holding meetings with such groups as the Federal Managers Association. Continued success in implementing NSPS is dependent on continued stakeholder involvement. DOD should anticipate and plan for the risk of losing implementation momentum, given future senior leadership turnover.

DOD could not demonstrate adequate progress in several elements because of a number of factors including timing and lack of data. Future OPM assessments will focus heavily on looking for continued improvement in progress of NSPS. DOD should be prepared, in future assessments, to provide data for those elements not rated in the present assessment. Recommendations for improvements to the Progress component of the assessment follow.

### **Effective Implementation (Performance Management System Execution)**

Future spirals would benefit from getting performance plans in place within the required 30 days. DoD provided evidence about putting performance plans in place in a timely way through asking its components, rather than through producing an automated report. It provided evidence of employees receiving annual reviews in a timely way through the data it gathered related to performance payouts. In the future, DoD should make every effort to capture this data in its Department-wide HRIS (or in an automated roll-up from Components' HRIS).

## **Conclusions and Next Steps**

We conclude:

- DOD effectively planned for implementing NSPS.
- DOD implemented NSPS in a relatively small portion of the workforce and data are not yet available to assess several of the progress elements. The data thus far indicate DOD is on track to meet published milestones.
- The establishment of the Program Executive Office has been central to successful implementation of NSPS. DOD has structured a well-organized and integrated phased implementation approach.
- DOD should anticipate and plan for the risk of losing implementation momentum, given future senior leadership turnover.

Assessments will be conducted periodically, ideally once every year, to help DOD identify specific areas on which to focus its future efforts. In the current assessment, several of the Progress elements were not ratable because of the lack of available data. OPM will reconsider this assessment of progress dimensions when adequate data become available. This reassessment will also focus on the new systems of the APS as they are rolled out (e.g., adverse actions).

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# **APPENDICIES**



***Appendix A: DOD Response***

## Appendix A

## Appendix A



DEPARTMENT OF DEFENSE  
NATIONAL SECURITY PERSONNEL SYSTEM  
PROGRAM EXECUTIVE OFFICE  
1400 KEY BOULEVARD SUITE B200  
ARLINGTON, VA 22209-5144



April 3, 2007

Ms. Linda Springer  
Director  
Office of Personnel Management  
1900 E Street, N.W.  
Washington, DC 20415

Dear Ms. Springer:

I appreciate the opportunity to review and comment on the draft assessment report on National Security Personnel System (NSPS) implementation. I hope that the methodology you have built to assess alternative personnel systems and the report will serve other agencies. The Department of Defense is far along with NSPS design and implementation, so the report's main value to us is transparency and affirmation of the approach we have taken to implement the system.

The OPM staff has indicated there will be further assessment reports on NSPS. I would like to discuss this in the coming months so that we understand and can plan for your needs. A mutual, practical schedule for any future assessments that aligns with the natural cycle of our system is highly desired.

NSPS is a complex program of wide reach in a huge Department. There was a very large body of information and data for your team to digest. I recommend that in the future, your assessments include a formal DoD presentation to the team as part of their orientation training; that the team conduct interviews with key officials as a data source; and that they ask questions and request added information during the course of their assessment. Unlike compliance inspections, where an organization has one chance to present its information, assessment of alternative personnel system (APS) implementation would seem to be more in the nature of a special study and warrant a flexible approach.

This report will be viewed carefully by many key stakeholders, including members of Congress, our employees, and other Federal agencies. It is crucial that the statements and conclusions in the report be clear. In that vein, I recommend that you change the term "No Data Provided" to "Not Ratable" when it is not reasonable to have APS data or too early to score an element. Also, please consider re-labeling the dimension "Employee Perceptions" as "Employee Perceptions of Fairness and Leadership," since elements are mainly employee opinions about the organizational and leadership climate.

We are glad to have had the opportunity to work with your staff as they developed the methodology. Each alternative personnel system will have variations, and I commend

## Appendix A

your flexible approach in applying the criteria to take advantage of available agency information. As always, I value our partnership in this important effort to reform human resources management in the DoD and look forward to continuing that relationship.

Sincerely,



Mary E. Lacey  
Program Executive Officer

cc:

Nancy Kichak

Associate Director for Strategic Human Resources Policy  
Office of Personnel Management

Kevin Mahoney

Associate Director, Human Capital Leadership and Merit System Accountability  
Office of Personnel Management

[d](#)

## ***Appendix B: Explanation of Key Terms***

## Appendix B

## Explanations of Key Terms

### **\*Accountability System**

The HCAAF system contributes to agency performance by monitoring and evaluating the results of its human capital management policies, programs, and activities; by analyzing compliance with merit system principles; and by identifying and monitoring necessary improvements. An agency's Human Capital Accountability System must provide for how the agency will assess meeting its goals and objectives as set forth in the human capital plan. The APS Assessment Framework provides comprehensive information about how to monitor and assess when preparing for and implementing an APS (or parts thereof). Consequently, an agency implementing an APS should incorporate its APS Assessment Framework into its Accountability System.

### **Alternative Personnel System (APS)**

A commonly accepted term for the host of personnel systems outside of the Competitive Civil Service. They may be established under discrete legislation for an agency or a community of agencies, or under the demonstration project provisions of Chapter 47 of title 5 U.S.C., or under the new provisions of title 5, which now allow both the Department of Homeland Security and the Department of Defense to set up contemporary human resource management systems. APSs cover various aspects of human resources management. For example, while the DOD provisions in title 5 provide coverage of special staffing and employment issues, the provisions for DHS do not provide this coverage. The current emphasis of APSs is on moving away from traditional classification and pay systems toward alternative systems where market rates and performance are central drivers of pay.

### **APS Assessment Framework**

A framework for determining the extent to which an agency is adequately preparing and progressing on the human capital transformation goals and objectives of its APS. The Framework includes assessment components, dimensions, elements, and indicators. The APS Assessment Framework is designed to investigate preparedness and progress with respect to alternative personnel systems or parts of such systems, which have been implemented. The Framework is not designed to evaluate systems in a pre-implementation status. The APS Framework differs from demonstration projects evaluations in the past, which have only focused on the impact of specific interventions.

### **APS Framework Component**

The two major parts of the APS Framework: Preparedness and Progress. The Preparedness component refers to an agency's readiness to implement an APS. The Progress component addresses the extent to which the agency has achieved, or is in the process of achieving, the broad human capital transformation goals associated with an APS.

## Appendix B

### **Assessment Criteria/Criterion**

To demonstrate performance on indicators, agencies will be expected to meet a criterion or a set of criteria.

### **Assessment Methodology**

The type(s) of analysis(es) to be conducted for each indicator. Document review by an expert panel, survey data assessment, and organizational data assessment are part of the total assessment methodology. The results of the analyses will be combined to reach a conclusion and assign a rating for each dimension.

### **Baseline Assessment Standards**

The baseline assessment standards include the assessment framework (including dimensions, elements, and indicators) and the assessment criteria. A baseline assessment standards report will be produced for each APS.

### **Data Sources**

Suggested resources used to demonstrate performance against criteria. Examples of data sources include web sites, training documents, survey data, instructions/directives, statistical data from an HRIS, strategic and operational plans, etc. The data sources are suggested only because the agency may identify other and/or better resources to demonstrate performance.

### **Demonstrated**

Evidence provided shows the program meets the criteria for the indicator being assessed, as defined by the rating guidance and assessment criteria for the indicator.

### **Dimension**

A key attribute of either the Preparedness or Progress component in the APS Framework. Preparedness and Progress are made up of dimensions. Agencies, which provide adequate emphasis and effort in the Preparedness dimensions, are well positioned to successfully implement an APS. Agencies, which demonstrate progress against the Progress dimensions, are successfully implementing the goals of an APS. Dimensions are made up of elements, which are defined below.

### **Element**

Specific features defining dimensions. Dimensions are made up of separate elements. Elements are made up of indicators, which are defined below.

### Executive Dashboard

A summary-level assessment of APS Preparedness and Progress results for agency and OPM executives. The dashboard provides senior policymakers with an overview of APS status and identifies areas requiring special emphasis. It shows the level of Preparedness and Progress agencies have demonstrated.

### \*Human Capital Assessment and Accountability Framework (HCAAF)

A framework establishing and defining five human capital systems which together provide a single, consistent definition of human capital management for the Federal Government. The HCAAF outlines an ongoing process of human capital management in every Federal agency, which works across five systems: Strategic Alignment, Leadership and Knowledge Management, Results-Oriented Performance Culture, Talent Management, and Accountability. The APS Assessment Framework is consistent with the HCAAF. Under the HCAAF, Federal agencies are required to develop human capital plans. An agency implementing an APS is expected to include APS goals and objectives, under each applicable HCAAF system, in its human capital plan.

### Indicator

A characteristic used for measuring or assessing the agency's performance against an element. Each element has one or more indicators for determining the agency's performance against the element.

### Implementation Assessment

An assessment against the criteria established in the baseline assessment standards report. An implementation assessment report will be produced for each APS. The analysis of Progress and Preparedness against the criteria set forth in the baseline assessment report will be the goal of the implementation assessment.

### Not Demonstrated

The evidence provided does not show the program meets the criteria for the indicator being assessed, as defined by the rating guidance and assessment criteria for the indicator. Note: A value of "not demonstrated" does not necessarily mean the program does not meet the criteria, rather the evidence provided was insufficient to show the program meets a particular criterion or set of criteria.

### Organizational Component

An essential part of an agency. Agencies in the Federal government are typically defined as the 24 Executive Departments and Agencies for whom a Chief Financial Officer and a Chief Human Capital Officer must be appointed (See Section 901(b) of title 31 U.S.C.). Agencies are made up of various organizational entities fitted together to accomplish the overall mission. The names of these organizational entities differ from agency to agency. Examples of names include major operating divisions, bureaus, directorates, offices, and even agencies. The Department of

## Appendix B

Defense, for example, is made up of the Office of the Secretary, the Military Services, the Chairman of the Joint Chiefs of Staff, the Combatant Commands, the Office of Inspector General, the Defense Agencies, the DOD Field Activities, and other organizational entities, collectively referred to as the DOD Components.

### **Program**

A set of features, which constitute the way to achieve a broad goal. Programs in the Federal government focus on providing products and services and are essential to the operation of the agency or several agencies. Programs typically involve goals like human capital transformation and are of such magnitude they must be carried out through a combination of line and staff functions.

APSs, such as NSPS are broad human capital transformation programs established to meet defined goals, objectives, and criteria, which focus on attracting and retaining high performing workforces. They are carried out through a combination of staff (e.g., program management offices) and line (senior leaders) functions.

### **\*Program Evaluation**

As assessment—through objective measurement and systematic analysis—of the results, impact, or effects of a program or policy; the manner and extent to which Federal programs achieve intended results. Program evaluations also are frequently used to measure “unintended results” (good or bad) which were not explicitly included in the original statement of objectives or were unforeseen in the implementation design. Evaluation, therefore, can serve to validate or find errors in the basic purposes and premises, which underlie program or policy.

### **Program Management Office (PMO)**

An office or a group/team established to provide policy direction and program management. A PMO is responsible for all phases of APS development and implementation. PMOs are usually established at the agency corporate level and serve to provide guidance and direction to components of the Department/Agency participating in the APS. Typical activities include providing day-to-day support operations, establishing and leading cross-component work groups, creating new business rules and processes, collecting data and compiling reports, facilitating meetings, keeping all development and implementation efforts on track, and monitoring and evaluating the effectiveness of implementation.

### **\*Risk Assessment**

An assessment of the severity and likelihood of an undesirable consequence. In the area of human capital, risk assessments help identify problems posing high risk to organizational integrity including financial or legal threats, systemic violations of employee protections or veterans’ preference, and potential loss of integrity in the public eye. It is growing more common for such assessments to be conducted when undertaking human capital initiatives, especially major human capital initiatives like designing and implementing APSs, to determine the potential risks to stakeholders.

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### **\*Stakeholder**

An individual, or group of individuals, who have a significant or vested interest in the outcome of an undertaking, key decision, or venture. In human capital ventures, such as design and implementation of APSs, different individuals and groups often have a shared responsibility for the successful outcome of a program or initiative because they share in the benefits of the program. Examples of potential internal stakeholders are managers and employees. Examples of potential external stakeholders are the Congress and unions.

\*These definitions are based on the glossaries included in the HCAAF Practitioners' Guide and the Human Capital Accountability System Development Guide.

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## ***Appendix C: The APS Assessment Framework***



**Preparedness** [d](#)

Dimension	Element	Indicator	Rationale
<b>LEADERSHIP COMMITMENT</b>  <i>Agency leaders are actively engaged in promoting and gaining workforce acceptance of the program, as well as prioritizing program implementation. Agency leaders provide appropriate resources for program implementation and are held accountable for effective execution.</i>	Engagement	Extent and sufficiency of senior leader participation in outreach events and senior leader communications designed to promote the program across the workforce.	Leadership Commitment is a critical dimension of Preparedness. Agencies are unlikely to effectively implement the APS in the absence of active, sustained, and visible involvement of senior agency leaders. Committed leadership is needed to pull together the resources required to take on a major APS implementation, to assign appropriate priority to APS implementation in the face of multiple competing priorities, and to overcome the natural resistance of employees and supervisors long accustomed to the General Schedule and other legacy pay and personnel systems in the Federal government. Leadership commitment was a key factor in the success of APS demonstration systems; organizations enjoying sustained executive sponsorship for their APS generally succeeded, while those lacking top-down commitment frequently struggled.
	Accountability	Extent to which program implementation is identified as a priority in agency strategies or appropriate planning documents.	
		Extent to which responsible senior leaders are held accountable for program implementation.	
	Resources	Extent to which the agency provides appropriate authority, staffing, and budget to the program management office.	
	Governance	Extent to which the agency has established and utilizes an effective mechanism for identifying and resolving critical issues associated with the program design, development, and implementation.	

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Dimension	Element	Indicator	Rationale
<b>OPEN COMMUNICATION</b>  <i>Agency provides accurate, up-to-date information on system features and implementation plans. Active outreach efforts are undertaken to provide information to employees and to address questions and concerns. Effective mechanisms are in place for gathering and considering feedback.</i>	Information Access	Extent to which the program website(s) is (are) comprehensive and fully utilized by employees.	<p>Open Communication is an important APS success factor. Agencies must communicate effectively and openly throughout the APS design, development, and implementation effort. Such communication is necessary to overcome employees' natural resistance to change and to mitigate concerns regarding the potential impact of the new system on workers' status or compensation. Employees need a practical mechanism for obtaining information to answer questions or address concerns. Agencies should also establish channels for employee feedback on the APS in order to capture suggestions for improvement and foster a sense of ownership and buy-in on the part of agency employees. The failure to communicate effectively with employees may lead to cynicism and disenchantment, greatly reducing the prospect for a successful APS rollout.</p>
	Outreach	Frequency, variety, and quality of employee outreach efforts.	
	Feedback	Availability of employee feedback mechanisms.	
		Extent to which employee feedback is considered.	

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Dimension	Element	Indicator	Rationale
<b>TRAINING</b>  <i>Agency develops and executes a comprehensive training strategy for effective training on relevant components of the program to users via a range of delivery methods.</i>	Planning	Existence of a comprehensive training strategy.	<p>In order for APS implementation to succeed, employees and supervisors need timely, high-quality training appropriate to their roles in the new system. Training should be delivered via a range of channels, and include instructor-led, web-based, and train-the-trainer components. Training should be assessed on a regular basis to determine its effectiveness, and to provide the basis for improving training materials. Special emphasis should be placed on training supervisors in the performance management systems and competencies required by most alternative personnel systems. Without effective training, agency personnel may require excessive time and effort to operate the system, thereby undermining support for the APS.</p>
	Delivery	Extent to which senior leaders, supervisors, and staff receive timely, high-quality training.	

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Dimension	Element	Indicator	Rationale
<b>STAKEHOLDER INVOLVEMENT</b>  <i>Stakeholders are actively involved in the design, development, and implementation of the program.</i>	Inclusion	Extent to which stakeholder groups are engaged in the program design, development, and implementation processes.	<p>Key stakeholders should be engaged in the design, development, and implementation of the APS. These stakeholders include HR managers, business unit leaders, senior executives, labor and professional organizations, Congress, and other groups impacted by the APS. By engaging such stakeholders early in the design process, agencies can help reduce resistance, thus contributing to a more effective personnel system. Stakeholder representatives can also play a major role in building support for the APS within their constituency and can aid in overcoming opposition which could delay or disrupt the introduction of the APS.</p>

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Dimension	Element	Indicator	Rationale
<p><b>IMPLEMENTATION PLANNING</b></p> <p><i>Agency establishes and implements a comprehensive planning process to coordinate activities across key work streams, such as HR business processes and procedures, tools and technology infrastructure, and change management, while providing mechanisms for assessing status and managing risk.</i></p>	<p>Work Stream Planning and Coordination</p>	<p>Extent to which the agency has established an effective work stream planning and coordination process to manage the program design, development, and implementation.</p>	<p>Implementation Planning is critical to the successful introduction of any major human capital program. APS implementation requires the coordination of multiple work streams across the agency enterprise. These work streams represent highly complex activities with extensive dependencies. External events including budget actions, legal challenges, and political developments may have a significant impact on the timing and scope of the APS program. Agencies implementing an APS must have an effective planning and coordination process takes key dependencies into account, while preserving the flexibility required to respond effectively to externally driven change. Agencies also require effective mechanisms for coordinating and integrating activities across work streams, assessing progress against key milestones, and identifying and mitigating technical and programmatic risk. Agencies lacking an effective planning and coordination function cannot effectively implement any human capital transformation program of the scale and complexity of an APS.</p>

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Dimension	Element	Indicator	Rationale
<b>IMPLEMENTATION PLANNING</b>	HR Business Processes and Procedures	Extent to which the agency has documented roles, responsibilities, policies, and procedures for major elements of the program (e.g., performance management, pay-pool administration, pay setting, and/or related areas).	
	Tools and Technology Infrastructure	Extent to which the program planning process provides for the design, development, and implementation of automated IT systems and tools which enable the program, such as performance management, pay-pool administration, and data conversion, and the extent to which the agency carries out the plan.	
	Change Management	Extent to which the agency establishes, maintains, and executes a comprehensive change management strategy including components such as leadership commitment, communications, stakeholder management, training transition issues, and promoting organization change readiness and employee acceptance of the program.	

## Appendix C

### Progress [d](#)

Dimension	Element	Indicator	Rationale
<b>MISSION ALIGNMENT</b>  <i>The program effectively links individual, team, and unit performance to organizational goals and desired results.</i>	Line of Sight	Percentage of employees with performance plans with individual goals linked to agency missions/goals using the agency's documented process.	Mission Alignment is important because research shows transparency of agency goals, as well as improved employee recognition of the linkage of their responsibilities to overall mission, is related to improved organizational effectiveness in achieving mission results. The premise of this dimension is if employees understand their part in meeting the agency's mission; have individual performance expectations linked to the mission; and are held accountable for meeting those expectations, the overall effectiveness/results of the entire organization will improve.
		Perception of Employee Line of Sight Items: These items evaluate the extent to which employees agree that their work is related to the goals of the agency.	
	Accountability	Extent to which individuals are held accountable for the achievement of individual performance objectives linked to the Organization's mission and goals.	
<b>RESULTS-ORIENTED PERFORMANCE CULTURE</b>  <i>The program promotes a high performance workforce by differentiating between high and low performers and by rewarding employees on the basis of performance.</i>	Differentiating Performance	The perception performance ratings appropriately differentiate levels of performance.	This dimension is at the heart of the pay-for-performance concept, reflecting the premise high performance will more likely occur when employees' ratings and rewards are properly differentiated, and in turn, linked to differential pay raises and awards/bonuses, as is the case in a performance culture.
	Pay-for-Performance	Association between performance rating and financial rewards.	

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Dimension	Element	Indicator	Rationale
<b>WORKFORCE QUALITY</b>  <i>Agency retains its high performers, keeps employees satisfied and committed, attracts high-quality new hires, and transitions its low performers out of the organization.</i>	Recruitment	Perception of Recruitment Item: This item evaluates the extent to which supervisors agree the agency is able to attract high-quality new hires.	This dimension deals broadly with the issue of how agencies can attract and retain a high quality workforce, as well as the agency's ability to deploy and utilize the workforce to meet changing mission requirements (the "agile" workforce). Research from demonstration projects makes clear performance management and pay components of the APS can help the agency in achieving its workforce quality goal.
	Flexibility	Perception of Flexibility Item: These items evaluate the extent to which supervisors believe they have the flexibility they need to recruit and reassign employees.	
	Retention	Association between performance ratings and employee turnover.	
	Employee Attitudes	Perception of Organizational Commitment Items: These items evaluate the extent to which employees agree they are committed to the organization and would recommend the organization to others.	
		Job Satisfaction Index: This index assesses the extent to which employees agree they are satisfied with their work and believe the work is important.	

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Dimension	Element	Indicator	Rationale
<b>EMPLOYEE PERCEPTIONS</b>  <i>The program promotes an environment of fairness and trust for employees, consistent with the Merit System Principles and free of Prohibited Personnel Practices.</i>	Fairness	Perception of Fairness Items: These items assess the extent to which employees agree performance appraisals and other personnel practices are fair.	This dimension covers a variety of topics relating to the agency's culture (e.g., transparency and trust) as well as employees' perceptions of how they are treated (such as in the handling of concerns, complaints, and grievances). These cultural factors have been shown to have a significant impact on the degree of success in implementation of an APS.
		Extent to which the agency engages in actions to promote transparency of ratings and results.	
	Dispute Resolution	Perception of Disputes Item: This item assesses the extent to which employees agree disputes are resolved fairly.	
	Trust	Perception of Trust Item: This item assesses the extent to which employees agree they have trust and confidence in superiors.	

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Dimension	Element	Indicator	Rationale
<b>EFFECTIVE IMPLEMENTATION</b>  <i>Agency demonstrates progress in implementing the program in accordance with its comprehensive planning process.</i>	Work Stream Planning and Status	Extent to which the implementation program is in compliance with the work stream planning process.	The overall intent of this dimension is to gauge the extent to which the agency has actually implemented the APS in the way it was intended. The emphasis in this dimension is on what steps the agency has completed, and how they have been carried out, rather than on the “when” or timeline. Clearly, certain implementation steps are time-critical (such as having pay-setting tools available at the time annual pay adjustments are made); however, other steps, such as the timing and sequence of APS rollout, may be driven more by external events than agency implementation activities.
	Performance Management System Execution	Percentage of personal performance plans created by required date.	
		Percentage of employees receiving an annual review.	
	Employee Support for the APS	Perception of Support Item: These items assess the extent to which employees agree they support the manner in which the program has been implemented.	

***Appendix D: The Alternative Personnel System  
(APS) Assessment Framework and the Human  
Capital Assessment and Accountability Framework  
(HCAAF)***

## Appendix D

### **Human Capital Assessment and Accountability Framework (HCAAF)**

The HCAAF consists of five human capital systems which together provide a consistent, comprehensive representation of human capital management for the Federal Government.

- The HCAAF fuses human capital management to the merit system principles—a cornerstone of the American civil service—and other civil service laws, rules, and regulations.
- Establishment of the HCAAF and its related standards and metrics fulfill OPM's mandate under the Chief Human Capital Officers Act of 2002 (CHCO Act), as codified at 5 U.S.C. 1103 (c) and implemented under subpart B of 5 CFR 250, to design systems and set standards, including appropriate metrics, for assessing the management of human capital by Federal agencies. Definitions for each system and an explanation of the standards and metrics are documented in HCAAF Systems, Standards, and Metrics.
- The regulation at 5 CFR 250.203 establishes requirements for an agency to maintain a current human capital plan and submit to OPM an annual human capital accountability report. The requirements in the regulation are by design congruent with the planning and reporting requirements contained in OMB Circular A-11 and title 31 U.S.C.

The HCAAF supports an ongoing process of human capital management in every Federal agency (planning and goal setting, implementation, and evaluating results) organized in five systems:

- Strategic Alignment (Planning and Goal Setting)
- Leadership and Knowledge Management (Implementation)
- Results-Oriented Performance Culture (Implementation)
- Talent Management (Implementation)
- Accountability (Evaluating Results)

## **Preparedness**

<b>APS Assessment Preparedness Dimension, with Definition and Elements</b>	<b>Related HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</b>
<p><u>Leadership Commitment Dimension</u></p> <p><i>Definition:</i> Agency leaders are actively engaged in promoting and gaining workforce acceptance of the program, as well as prioritizing program implementation. Agency leaders provide appropriate resources for program implementation and are held accountable for effective execution.</p> <p><i>Elements:</i></p> <p><i>Engagement</i> – Extent and sufficiency of senior leader participation in outreach events and senior leader communications designed to promote the program across the workforce.</p> <p><i>Accountability</i> – Extent to which program implementation is identified as a priority in agency strategies or appropriate planning documents and extent to which responsible senior leaders are held accountable for program implementation.</p> <p><i>Resources</i> – Extent to which the agency provides appropriate authority, staffing and budget to the program management office.</p> <p><i>Governance</i> – Extent to which the agency has established and utilizes an effective mechanism for identifying and resolving critical issues associated with the program design, development, and implementation.</p>	<p><u>Strategic Alignment System</u></p> <p><i>Standard:</i> Agency human capital management strategies are aligned with mission, goals, and organizational objectives and integrated into its strategic plans, performance plans, and budgets.</p> <p><u>Human Capital Planning CSF</u></p> <p><i>Definition:</i> The agency designs a coherent framework of human capital policies, programs, and practices to achieve human capital requirements to directly support the agency’s strategic plan.</p> <p><i>Key Result Expected</i> – Managers are held accountable for effective implementation of human capital plans and overall human capital management.</p> <p><u>Leadership and Knowledge Management System</u></p> <p><i>Standard:</i> Agency leaders and managers effectively manage people, ensure continuity of leadership, and sustain a learning environment which drives continuous improvement in performance, and provide a means to share critical knowledge across the organization. Knowledge management must be supported by an appropriate investment in training and technology.</p> <p><u>Change Management CSF</u></p> <p><i>Definition:</i> The agency has in place leaders who understand what it takes to effectively bring about changes to achieve significant and sustained improvements in performance.</p>

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APS Assessment Preparedness Dimension, with Definition and Elements	Related HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected
	<p><i>Key Results Expected</i> – Leaders provide adequate resources to support the change and focus on performance and progress against change milestones.</p> <p><u>Accountability System</u></p> <p><i>Standard:</i> Agency human capital management decisions are guided by a data-driven, results-oriented planning and accountability system. Results of the agency accountability system must inform the development of the human capital goals and objectives, in conjunction with the agency’s strategic planning and performance budgets. Effective application of the accountability system contributes to agencies’ practice of effective human capital management in accordance with the merit system principles and in compliance with Federal laws, rules, and regulations.</p> <p><i>Special Note:</i> The Accountability System monitors and evaluates the results of an agency’s <i>total</i> human capital system, including how it plans, develops, implements, and evaluates new human capital policies, programs, and activities.</p> <p><i>Key Results Expected</i> – Managers are held accountable for their human capital and human resources decisions and actions.</p>

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<b><u>APS Assessment Preparedness Dimension, with Definition and Elements</u></b>	<b><u>Related HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</u></b>
<p><u>Open Communications Dimension</u></p> <p><i>Definition:</i> Agency provides accurate, up to date information on system features and implementation plans. Active outreach efforts are undertaken to provide information to all employees and to address questions and concerns. Effective mechanisms are in place for gathering and considering feedback.</p> <p><i>Elements:</i></p> <p><i>Information Access</i> – Extent to which the program website(s) is (are) comprehensive and fully utilized by employees.</p> <p><i>Outreach</i> – Frequency, variety, and quality of employee outreach efforts.</p> <p><i>Feedback</i> – Availability of employee feedback mechanisms and extent to which employee feedback is considered.</p>	<p><u>Results-Oriented Performance Culture System</u></p> <p><i>Standard:</i> The agency has a diverse, results-oriented, high-performing workforce and a performance management system, which differentiates between high and low levels of performance and links individual/team/unit performance to organizational goals and desired results effectively.</p> <p><u>Communication CSF</u></p> <p><i>Definition:</i> The agency has a process for sharing information and ideas about the organization with all employees. This vital process includes eliciting employee feedback and involvement so all employees play an appropriate role in planning and executing the mission.</p> <p><i>Key Results Expected</i> – The agency has developed and implemented a communication strategy to share the vision, strategic plan and <i>related documents</i> with all employees and a variety of media are used to communicate the strategic plan and <i>related documents</i> to all levels of the workforce. Feedback is elicited and employees are involved in decision-making and planning processes.</p>

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<b><u>APS Assessment Preparedness Dimension, with Definition and Elements</u></b>	<b><u>Related HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</u></b>
<p><u>Training Dimension</u></p> <p><i>Definition:</i> Agency develops and executes a comprehensive training plan, which delivers effective training on relevant components of the APS to all users via a range of delivery methods.</p> <p><i>Elements:</i></p> <p><i>Planning</i> – Existence of a comprehensive training strategy.</p> <p><i>Delivery</i> – Extent to which senior leaders, supervisors, and staff receive timely, high-quality training.</p>	<p><u>Leadership and Knowledge Management System</u></p> <p><i>Standard:</i> Agency leaders and managers effectively manage people, ensure continuity of leadership, and sustain a learning environment driving continuous improvement in performance, and providing a means to share critical knowledge across the organization. Knowledge management must be supported by an appropriate investment in training and technology.</p> <p><u>Knowledge Management CSF</u></p> <p><i>Definition:</i> The organization systematically provides resources, programs, and tools for knowledge sharing across the organization in support of its mission accomplishment.</p> <p><i>Key Results Expected</i> – A knowledge management process has been developed, documented, and systematically shared with employees. Training and/or orientation is provided to the workforce.</p> <p><u>Continuous Learning</u></p> <p><i>Definition:</i> Leaders foster a learning culture providing opportunities for continuous development and encouraging employees to participate. Leaders invest in education, training, and other developmental opportunities to help themselves and their employees build mission-critical competencies.</p> <p><i>Key Results Expected</i> – The agency uses appropriate learning technology and innovative learning strategies to meet the training and development needs of the workforce. The agency has evaluated and implemented a process to evaluate its training and development program impact in terms of learning, performance, work environment, and contribution to mission accomplishment. The results of the evaluation reflect a positive contribution to mission accomplishment.</p>

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<b><u>APS Assessment Preparedness Dimension, with Definition and Element</u></b>	<b><u>Related HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</u></b>
<p><u>Stakeholder Involvement Dimension</u></p> <p><i>Definition:</i> Stakeholders are actively involved in the design, development, and implementation of the program.</p> <p><i>Element:</i></p> <p><i>Inclusion</i> – Extent to which stakeholder groups are engaged in the program design, development, and implementation processes.</p>	<p><u>Strategic Alignment System</u></p> <p><i>Standard:</i> Agency human capital management strategies are aligned with mission, goals, and organizational objectives and integrated into its strategic plans, performance plans, and budgets.</p> <p><u>Human Capital Planning CSF</u></p> <p><i>Definition:</i> The agency designs a coherent framework of human capital policies, programs, and practices to achieve human capital requirements to directly support the agency's strategic plan.</p> <p><i>Key Result Expected</i> – Managers are held accountable for effective implementation of human capital plans and overall human capital management.</p> <p><u>Results Oriented Performance Culture System</u></p> <p><i>Standard:</i> The agency has a diverse, results-oriented high-performing workforce and a performance management system, which differentiates between high and low levels of performance to organizational goals and desired results effectively.</p> <p><u>Communication CSF</u></p> <p><i>Definition:</i> The agency has a process for sharing information and ideas about the organization with all employees. This vital process includes eliciting employee feedback and involvement so all employees play an appropriate role in planning and executing the mission.</p> <p><i>Key Results Expected</i> – Communication up and down the organization is effective. Documentation shows innovation and problem solving between employees and management. Employees are involved in the decision-making</p>

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<b><u>APS Assessment Preparedness Dimension, with Definition and Element</u></b>	<b><u>Related HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</u></b>
	<p>process, fostering their support for organizational decisions. Surveys and/or interviews indicate employees are satisfied with their level of participation in the organization decision-making processes and feel empowered to share their ideas and/or concerns with supervisors and other management officials.</p> <p><u>Diversity Management CSF</u></p> <p><i>Definition:</i> The agency maintains an environment characterized by inclusiveness of individual differences and responsiveness to the needs of diverse groups of employees.</p> <p><i>Key Result Expected</i> – The agency is responsive to the needs of diverse groups, resulting in a positive work environment conducive to all employees achieving their potential without fear or abuse.</p> <p><u>Labor/Management Relations CSF</u></p> <p><i>Definition:</i> The organization promotes cooperation among employees, unions, and managers. This cooperation enhances effectiveness and efficiency, cuts down the number of employee-related disputes, and improves working conditions, all of which contribute to improved performance and results.</p> <p><i>Key Results Expected</i> – The agency has a labor/management relations system, which provides a process for labor and management to jointly develop successful plans to accomplish organizational goals and develop effective solutions to workplace challenges.</p>

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<b><u>APS Assessment Preparedness Dimension, with Definition and Element</u></b>	<b><u>Related HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</u></b>
<p><u>Implementation Planning Dimension</u></p> <p><i>Definition:</i> Agency establishes and implements a comprehensive planning process coordinating activities across key work streams such as HR business processes and procedures, tools and technology infrastructure, and change management, while providing mechanisms for assessing status and managing risk.</p> <p><i>Elements:</i></p> <p><i>Work Stream Planning and Coordination</i> – Extent to which the agency has established an effective work stream planning and coordination process to manage the program design, development, and implementation.</p> <p><i>HR Business Processes and Procedures</i> – Extent to which the agency has documented roles, responsibilities, policies, and procedures for major elements of the program (e.g., performance management, pay pool administration, pay setting, and/or related areas).</p> <p><i>Tools and Technology Infrastructure</i> – Extent to which the program planning process provides for the design, development, and implementation of automated IT systems and tools to enable the program, such as performance management, pay pool administration, and data conversion, and the extent to which the agency carries out the plan.</p> <p><i>Change Management</i> – Extent to which the agency establishes, maintains, and executes a comprehensive change management strategy, which includes components such as leadership commitment, communications, stakeholder management, training transition issues, and promotes organization change readiness and employee acceptance of the program.</p>	<p><u>Strategic Alignment System</u></p> <p><i>Standard:</i> Agency human capital management strategies are aligned with mission, goals, and organizational objectives and integrated into its strategic plans, performance plans, and budgets.</p> <p><u>Human Capital Planning CSF</u></p> <p><i>Definition:</i> The agency designs a coherent framework of human capital policies, programs, and practices to achieve human capital requirements to directly support the agency’s strategic plan.</p> <p><i>Key Result Expected</i> – Managers are held accountable for effective implementation of human capital plans and overall human capital management.</p> <p><u>Leadership and Knowledge Management System</u></p> <p><i>Standard:</i> Agency leaders and managers effectively manage people, ensure continuity of leadership, and sustain a learning environment, which drives continuous improvement in performance, and provides a means to share critical knowledge across the organization. Knowledge management must be supported by an appropriate investment in training and technology.</p> <p><u>Change Management CSF</u></p> <p><i>Definition:</i> The agency has in place leaders who understand what it takes to effectively bring about changes, which achieve significant and sustained improvements in performance.</p> <p><i>Key Results Expected</i> – Leaders provide adequate resources to support the change and focus on performance and progress against change milestones.</p>

## Appendix D

<b><u>APS Assessment Preparedness Dimension, with Definition and Element</u></b>	<b><u>Related HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</u></b>
	<p data-bbox="829 373 1133 405"><u>Pay for Performance CSF</u></p> <p data-bbox="829 443 1377 674"><i>Definition:</i> The agency uses pay for performance systems, where authorized by law and regulation, to link salary levels and adjustments to an individual's overall performance and contribution to the agency's mission. Employees receive base salary adjustments within their assigned bands.</p> <p data-bbox="829 711 1377 1241"><i>Key Results Expected:</i> An understandable pay pool structure (e.g., roles and responsibilities) and process for making timely pay determinations have been communicated across the agency using a variety of methods. Managers, supervisors, and employees are trained at the beginning of the performance cycle on the relationship between their performance and salary adjustments and awards at the end of the cycle. Data on pay pool determinations/discussions indicated the budget is effectively managed, top performers are getting the highest pay increases and/or awards, employees perceive the process to be fair and credible, and pay adjustments correlate with performance ratings.</p> <p data-bbox="829 1278 1365 1310"><u>Results Oriented Performance Culture System</u></p> <p data-bbox="829 1348 1354 1541"><i>Standard:</i> The agency has a diverse, results-oriented high-performing workforce and a performance management system, which differentiates between high and low levels of performance to organizational goals and desired results effectively.</p> <p data-bbox="829 1579 1377 1772"><i>Special Note:</i> The Accountability System monitors and evaluates the results of an agency's <i>total</i> human capital system, including how it plans, develops, implements, and evaluates new human capital policies, programs, and activities.</p> <p data-bbox="829 1810 1377 1877"><i>Key Results Expected</i> – Managers are held accountable for their human capital and human</p>

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<b><u>APS Assessment Preparedness Dimension, with Definition and Element</u></b>	<b><u>Related HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</u></b>
	resources decisions and actions. Human capital program management guidelines, authorities, processes, measures, and accountabilities are issued via agency policy and procedural issuances and are accessible to agency managers, supervisors, and employees. Program and implementation efforts include published plans to clearly outline roles, responsibilities, reviews, and desired outcomes. Accountability for implementing improvement strategies for each initiative or program is assigned, and resources are provided to accomplish the resulting actions.

## **Progress**

<b>APS Assessment Progress Dimension, with Definition and Elements</b>	<b>HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</b>
<p><u>Mission Alignment Dimension</u></p> <p><i>Definition:</i> The program effectively links individual, team, and unit performance to organizational goals and desired results.</p> <p><i>Elements:</i></p> <p><i>Line of sight</i> – Percentage of employees with performance plans with individual goals linked to agency mission/goals using the agency’s documented process and the Employee Line of Sight Survey Items.</p> <p><i>Accountability</i> – Extent to which individuals are held accountable for the achievement of individual performance objectives linked to Organization’s mission and goals.</p>	<p><u>Strategic Alignment System</u></p> <p><i>Standard:</i> Agency human capital management strategies are aligned with mission, goals, and organizational objectives and integrated into its strategic plans, performance plans, and budgets.</p> <p><u>Human Capital Planning CSF</u></p> <p><i>Definition:</i> The agency designs a coherent framework of human capital policies, programs, and practices to achieve human capital requirements to directly support the agency’s strategic plan.</p> <p><i>Key Results Expected</i> – The agency promotes alignment of human capital strategies with agency mission, goals, and objectives through analysis, planning, investment, and management of human capital programs.</p> <p><u>Results-Oriented Performance Culture System</u></p> <p><i>Standard:</i> The agency has a diverse, results-oriented, high-performing workforce and a performance management system, which differentiates between high and low levels of performance and links individual/team/unit performance to organizational goals and desired results effectively.</p> <p><u>Communication CSF</u></p> <p><i>Definition:</i> The agency has a process for sharing information and ideas about the organization with all employees. This vital process includes eliciting employee feedback and involvement so all employees play an appropriate role in planning and executing the mission.</p>

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APS Assessment Progress Dimension, with Definition and Elements	HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected
	<i>Key Results Expected</i> – The agency’s strategic plan has been shared with and/or is accessible to all its employees. Employees are knowledgeable about the agency’s strategic plan and their role in supporting the mission. Employees have a direct line of sight between performance elements (expectations) and award systems and the mission. These links have been communicated to and are understood by employees, enabling them to focus their work effort on those activities most important to mission accomplishment. All employees are held accountable for achieving results, which support the agency’s strategic plan goals and objectives.

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<u><b>APS Assessment Progress Dimension, with Definition and Elements</b></u>	<u><b>HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</b></u>
<p><u><b>Results-Oriented Performance Culture Dimension</b></u></p> <p><i>Definition:</i> The program promotes a high performing workforce by differentiating between high and low performers and by rewarding employees on the basis of performance.</p> <p><i>Elements:</i></p> <p><i>Differentiating Performance</i> – The perception performance ratings appropriately differentiate levels of performance.</p> <p><i>Pay for Performance</i> – Association between performance rating and financial rewards.</p>	<p><u><b>Results-Oriented Performance Culture System</b></u></p> <p><i>Standard:</i> The agency has a diverse, results-oriented, high-performing workforce and a performance management system, which differentiates between high and low levels of performance and links individual/team/unit performance to organizational goals and desired results effectively.</p> <p><u><b>Performance Appraisal CSF</b></u></p> <p><i>Definition:</i> The agency has a process under which performance is reviewed and evaluated.</p> <p><i>Key Results Expected</i> – The agency’s performance management system differentiates between high and low levels of performance. Supervisors and managers use performance results to offer feedback, identify developmental needs to help improve employee performance, and address instances of poor performance. Policies and procedures, including delegation of authority, for addressing poor performance have been developed and communicated to supervisors. Managers and supervisors take appropriate action in cases of minimally acceptable or unsatisfactory performance where performance improvement strategies are not successful. Review of performance plans for all levels of the agency indicates supervisors, managers, and executives are held accountable for the performance management of their subordinates.</p> <p><u><b>Awards CSF</b></u></p> <p><i>Definition:</i> The organization takes actions to recognize and reward individual or team achievement which contributes to meeting organizational goals or improving the</p>

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<b><u>APS Assessment Progress Dimension, with Definition and Elements</u></b>	<b><u>HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</u></b>
	<p>efficiency, effectiveness, and economy of the Government. Such awards include, but are not limited to employee incentives, which are based on predetermined criteria, ratings or special acts or services.</p> <p><i>Key Results Expected</i> – Employees have a direct line of sight between performance elements (performance expectations) and award systems and the agency mission. These links have been communicated to and are understood by employees, enabling them to focus their work effort on those activities most important to mission accomplishment. All employees are held accountable for achieving results support the agency’s strategic plan goals and objectives.</p> <p><u>Pay for Performance CSF</u></p> <p><i>Definition:</i> The agency uses pay for performance, where authorized by law and regulation, to link salary levels and adjustments to an individual’s overall performance and contribution to the mission. Employees receive base salary adjustments within their assigned bands.</p> <p><i>Key Results Expected</i> – The pay for performance system, where authorized by law and regulation, is results-driven, producing a distribution of pay adjustments and bonuses based on individual contribution, organizational performance, and/or team performance. The pay for performance system ensures employee and supervisory accountability with respect to individual performance and organizational results. Employees’ pay is linked to their performance ratings. Supervisors and managers make meaningful distinctions in performance ratings.</p>

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<b><u>APS Assessment Progress Dimension, with Definition and Elements</u></b>	<b><u>HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</u></b>
<p><u>Workforce Quality Dimension</u></p> <p><i>Definition:</i> Agency retains its high performers, keeps employees satisfied and committed, attracts high-quality new hires, and transitions its low performers out of the organization.</p> <p><i>Elements:</i></p> <p><i>Recruitment</i> – Perceived ability to attract high-quality new hires.</p> <p><i>Flexibility</i> – Extent to which supervisors feel they have the flexibility needed to respond to workload or mission changes.</p> <p><i>Retention</i> – Association between performance rating and employee turnover.</p> <p><i>Employee Attitudes</i> – Perception of Organizational Commitment items and Job Satisfaction Index.</p>	<p><u>Talent Management System</u></p> <p><i>Standard:</i> The agency has closed skills, knowledge, and competency gaps/deficiencies in mission-critical occupations, and has made meaningful progress toward closing skills, knowledge, and competency gaps/deficiencies in all occupations used in the agency.</p> <p><u>Recruitment CSF</u></p> <p><i>Definition:</i> The workforce plan drives the aggressive and strategic recruitment of diverse and qualified candidates for the agency's workforce.</p> <p><i>Key Results Expected</i> – Workforce competency gaps are closed through the use of effective recruitment and retention strategies, creating a workforce capable of excellent performance in the service of the American people. Senior leaders and managers are involved in strategic recruitment and retention initiatives, which ensures the necessary organizational focus and resources are allocated to achieve recruitment and retention goals. Recruitment strategies are appropriately aggressive and multi-faceted to ensure a sufficient flow of quality applicants to meet staffing needs identified in the workforce plan, positioning the agency for successful program accomplishment.</p> <p><u>Retention CSF</u></p> <p><i>Definition:</i> Leaders, managers, and supervisors create and sustain effective working relationships with employees. The workplace is characterized by a motivated and skilled workforce, attractive and flexible working arrangements, and compensation packages and other programs used to hire and retain employees who possess mission-critical skills, knowledge, and competencies.</p>

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<b><u>APS Assessment Progress Dimension, with Definition and Elements</u></b>	<b><u>HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</u></b>
	<p><i>Key Results Expected</i> – Incentive and recognition programs are established, budgeted, and implemented to focus on retention of high performing employees with mission-critical competencies. The costs and benefits of quality of work/life programs are evaluated (e.g., surveys, entrance and exit interviews) to determine if they are perceived by employees as creating a positive work environment, are meeting an identified workforce need, and are contributing to recruitment and retention goals.</p> <p><u>Leadership and Knowledge Management System</u></p> <p><i>Standard:</i> Agency leaders and managers effectively manage people, ensure continuity of leadership, and sustain a learning environment that drives continuous improvement in performance, and provide a means to share critical knowledge across the organization. Knowledge management must be supported by an appropriate investment in training and technology.</p> <p><u>Integrity and Inspiring Employee Commitment CSF</u></p> <p><i>Definition:</i> Leaders maintain high standards of honesty and ethics, which serve as a model for the whole workforce. Leaders promote teamwork and communicate the organization’s shared vision to all levels and seek feedback from employees. Employees respond by maintaining high standards of honesty and ethics.</p> <p><i>Key Results Expected</i> – Employees view the agency as a desirable place to work. The FHCS and/or other employee climate surveys reflect a positive, committed work environment.</p>

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<b><u>APS Assessment Progress Dimension, with Definition and Elements</u></b>	<b><u>HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</u></b>
<p><u>Employee Perceptions Dimension</u></p> <p><i>Definition:</i> The program promotes an environment of fairness and trust for all employees, consistent with the Merit System Principles and free of Prohibited Personnel Practices.</p> <p><i>Elements:</i></p> <p><i>Fairness-</i> Perception of Fairness Items and Transparency.</p> <p><i>Dispute Resolution</i> – The perception disputes are resolved fairly.</p> <p><i>Trust</i> – Perception of trust item.</p>	<p><u>Results Oriented Performance Culture System</u></p> <p><i>Standard:</i> The agency has a diverse, results-oriented high-performing workforce and a performance management system, which differentiates between high and low levels of performance to organizational goals and desired results effectively.</p> <p><u>Performance Appraisal CSF</u></p> <p><i>Definition:</i> The agency has a process under which performance is reviewed and evaluated.</p> <p><i>Key Results Expected</i> – Supervisors and managers use performance results to offer feedback, identify developmental needs to help improve employee performance, and address instances of poor performance. Survey results and/or interviews indicate employees understand their performance elements (performance expectations), consider them to be fair, and understand how their efforts contribute to mission accomplishment. Workforce survey results indicate employees perceive a linkage between high performance and recognition and awards. Employees also believe creativity and innovation are rewarded and their own performance evaluations properly reflect their level of performance.</p> <p><u>Awards CSF</u></p> <p><i>Definition:</i> The organization takes actions to recognize and reward individual or team achievement which contributes to meeting organizational goals or improving the efficiency, effectiveness, and economy of the Government. Such awards include, but are not limited to: employee incentives which are based on predetermined criteria, rating-based awards, or awards based on a special act or service.</p>

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<b><u>APS Assessment Progress Dimension, with Definition and Elements</u></b>	<b><u>HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</u></b>
	<p><i>Key Results Expected</i> – The agency has created a reward environment, beyond compensation and benefits that contributes to attracting, retaining, and motivating employees. Surveys and/or interviews indicate employees feel valued and appropriately recognized for performance.</p> <p><u>Pay for Performance CSF</u></p> <p><i>Definition:</i> The agency uses pay for performance, where authorized by law and regulation, to link salary levels and adjustments to an individual’s overall performance and contribution to the mission. Employees receive base salary adjustments within their assigned bands.</p> <p><i>Key Results Expected:</i> When authorized, the agency has a pay for performance system, which includes a transparent process for making pay adjustments and requires clear and frequent communications about the pay system and how it operates</p> <p><u>Diversity Management CSF</u></p> <p><i>Definition:</i> The agency maintains an environment characterized by inclusiveness of individual differences and responsiveness to the needs of diverse groups of employees.</p> <p><i>Key Results Expected</i> – The agency is responsive to the needs of diverse groups, resulting in a positive work environment conducive to all employees achieving their potential without fear or abuse.</p> <p><u>Labor/Management Relations CSF</u></p> <p><i>Definition:</i> The organization promotes cooperation among employees, unions, and managers. This cooperation enhances effectiveness and efficiency, cuts down the number of employee-related disputes, and improves working conditions, all of which</p>

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<u>APS Assessment Progress Dimension, with Definition and Elements</u>	<u>HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</u>
	<p>contribute to improved performance and results.</p> <p><i>Key Results Expected</i> – Managers effectively administer contractual and statutory provisions to accomplish agency goals; workplace conflicts are resolved fairly, promptly, and effectively; and managers, union officials, and employees work together to accomplish the agency’s mission through effective problem solving. Data on complaints, grievances, and unfair labor practices are gathered, analyzed, and acted upon as appropriate. Data indicate problems are usually resolved at the lowest practicable level and management is complying with contractual and statutory requirements. Management works to resolve conflicts promptly and in a manner than enhances agency performance.</p> <p><u>Leadership and Knowledge Management System</u></p> <p><i>Standard:</i> Agency leaders and managers effectively manage people, ensure continuity of leadership, and sustain a learning environment driving continuous improvement in performance, and providing a means to share critical knowledge across the organization. Knowledge management must be supported by an appropriate investment in training and technology.</p> <p><u>Integrity and Inspiring Employee Commitment CSF</u></p> <p><i>Definition:</i> Leaders maintain high standards of honesty and ethics, which serve as a model for the whole workforce. Leaders promote teamwork and communicate the organization’s shared vision to all levels of the organization and seek feedback from employees. Employees respond by maintaining high standards of honesty and ethics.</p>

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<b><u>APS Assessment Progress Dimension, with Definition and Elements</u></b>	<b><u>HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</u></b>
	<i>Key Results Expected</i> – Employees view the agency as a desirable place to work. The FHCS and/or other employee climate surveys reflect a positive, committed work environment.

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<b><u>APS Assessment Progress Dimension, with Definition and Elements</u></b>	<b><u>HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</u></b>
<p><u>Effective Implementation Dimension</u></p> <p><i>Definition:</i> Agency demonstrates progress in implementing the program in accordance with its comprehensive planning process.</p> <p><i>Elements:</i></p> <p><i>Work Stream Planning and Status</i> – Extent to which the implementation program is in compliance with the APS work stream planning process.</p> <p><i>Performance Management System Execution</i> – Percentage of personal performance plans created by required date and percentage of employees receiving an annual review.</p> <p><i>Employee Support for the Program</i> – Extent to which employees support the manner in which the program has been implemented.</p>	<p><u>Strategic Alignment System</u></p> <p><i>Standard:</i> Agency human capital management strategies are aligned with mission, goals, and organizational objectives and integrated into its strategic plans, performance plans, and budgets.</p> <p><u>Human Capital Planning CSF</u></p> <p><i>Definition:</i> The agency designs a coherent framework of human capital policies, programs, and practices to achieve human capital requirements to directly support the agency’s strategic plan.</p> <p><i>Key Results Expected</i> – The agency promotes alignment of human capital strategies with agency mission, goals, and objectives through analysis, planning, investment, and management of human capital programs. Managers are held accountable for effective implementation of human capital plans and overall human capital management.</p> <p><u>Results-Oriented Performance Culture System</u></p> <p><i>Standard:</i> The agency has a diverse, results-oriented, high-performing workforce and a performance management system, which differentiates between high and low levels of performance and links individual/team/unit performance to organizational goals and desired results effectively.</p> <p><u>Communication CSF</u></p> <p><i>Definition:</i> The agency has a process for sharing information and ideas about the organization with all employees. This vital process includes eliciting employee feedback and involvement so all employees play an appropriate role in planning and executing the mission.</p>

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<b><u>APS Assessment Progress Dimension, with Definition and Elements</u></b>	<b><u>HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</u></b>
	<p><i>Key Results Expected</i> – Employees are involved in the decision-making process, fostering their support for organizational decisions. Surveys and/or interviews indicate employees are satisfied with their level of participation in the organizational decision-making process and feel empowered to share their ideas and/or concerns with supervisors and other management officials.</p> <p><u>Performance Appraisal CSF</u></p> <p><i>Definition:</i> The agency has a process under which performance is reviewed and evaluated.</p> <p><i>Key Results Expected</i> – The agency performance appraisal system encourages employee participation in establishing performance plans. Employees are covered by recorded performance plans, which are communicated to employees at the beginning of each appraisal period. Employee performance is monitored by the supervisor and discussed with the employee on an ongoing basis during the designated appraisal period, with one or more progress reviews conducted and documented.</p> <p><u>Accountability System</u></p> <p><i>Standard:</i> Agency human capital management decisions are guided by a data-driven, results-oriented planning and accountability system. Results of the agency accountability system must inform the development of the human capital goals and objectives, in conjunction with the agency's strategic planning and performance budgets. Effective application of the accountability system contributes to agencies' practice of effective human capital management in accordance with the merit system principles and in compliance with Federal laws, rules, and regulations.</p>

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<b><u>APS Assessment Progress Dimension, with Definition and Elements</u></b>	<b><u>HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</u></b>
	<p><i>Special Note:</i> The Accountability System monitors and evaluates the results of an agency's <i>total</i> human capital system, including how it plans, develops, implements, and evaluates new human capital policies, programs, and activities.</p> <p><i>Key Results Expected</i> – Human capital program management guidelines, authorities, processes, measures, and accountabilities are issued via agency policy and procedural issuances and accessible to agency managers, supervisors, and employees. Program and implementation efforts include published plans clearly outlining roles, responsibilities, reviews, and desired outcomes. Accountability for implementing improvement strategies for each initiative or program is assigned and resources are provided to accomplish the resulting actions.</p>



***Appendix E: Assessment Criteria and Rating  
Rationale***

## Appendix E

PREPAREDNESS
<p><b>Dimension:</b> Leadership Commitment – <i>Agency leaders are actively engaged in promoting and gaining workforce acceptance of the program, as well as prioritizing program implementation. Agency leaders provide appropriate resources for program implementation and are held accountable for effective execution.</i></p>
<p><b>Element:</b> Engagement</p>
<p><b>Indicator:</b> Extent and sufficiency of senior leader participation in outreach events and senior leader communications designed to promote the program across the workforce.</p>
<p><b>Rating: Demonstrated</b></p>
<p><b>Assessment Criteria:</b></p> <ol style="list-style-type: none"> <li>1. Appropriate senior leaders accomplish the following: <ul style="list-style-type: none"> <li>○ Engage personally with the design, development, and implementation of the program.</li> <li>○ Monitor the progress of program preparation and deployment on a regular basis and communicate program progress to employees and stakeholders.</li> <li>○ Participate in a variety of events such as live speeches, conferences, Congressional testimony, meetings/briefings, video recordings, and interviews.</li> <li>○ Communicate a vision clearly specifying how the program will impact organizational effectiveness, structure, and culture; employee performance expectations, compensation, advancement opportunities, and morale; employee rights and legal protections; and employee-supervisor relationships.</li> <li>○ Designate executive champions to express personal support for the program.</li> <li>○ Resolve emergent issues, including those related to organizational culture, readiness, and resources.</li> </ul> </li> </ol>
<p><b>Rationale:</b></p> <p>This indicator is demonstrated. The Deputy Secretary has committed to establishing and implementing the National Security Personnel System (NSPS). This is evidenced by key documents from the Deputy Secretary to the DOD Senior Leadership, such as the memorandum on Compensation Architecture signed by the Deputy Secretary on April 28, 2006. The Deputy Secretary's personal commitment to NSPS is further demonstrated by his appointment of a primary NSPS executive champion, the Program Executive Officer for NSPS. Weekly engagement reports to senior leadership from 2005 and 2006 indicate the Program Executive Officer's involvement in the design, development, and implementation of the program, as well as in NSPS outreach activities across the Department. Additional documents provide sufficient evidence regarding the role of senior leaders in supporting and communicating about NSPS. DOD has consistently sent out key messages to senior leaders and managers across the Department, such as Implementing Issuances, Senior Leader Toolkit materials, briefings, and NSPS website materials. Senior leaders have offered Congressional testimony about NSPS. Emergent issues related to the overall NSPS implementation effort have been resolved through surveys, e-mail, and the use of the NSPS website.</p>

PREPAREDNESS
<p><b>Dimension:</b> Leadership Commitment – <i>Agency leaders are actively engaged in promoting and gaining workforce acceptance of the program, as well as prioritizing program implementation. Agency leaders provide appropriate resources for program implementation and are held accountable for effective execution.</i></p>
<p><b>Element:</b> Accountability</p>
<p><b>Indicator:</b> Extent to which program implementation is identified as a priority in agency strategies or appropriate planning documents.</p>
<p><b>Rating: Demonstrated</b></p>
<p><b>Assessment Criteria:</b> The Department:</p> <ol style="list-style-type: none"> <li>1. Reference to the program as a priority appears in several documents, such as the strategic human capital plan, reports to Congress, and other operational plans.</li> <li>2. Planning documents such as the strategic human capital plan describe objectives related to the deployment of key elements of the agency’s program (e.g., classification, compensation, performance management, pay-pool management, staffing and workforce shaping).</li> </ol> <p>Component organizations deploying the program:</p> <ol style="list-style-type: none"> <li>1. Reference to the program as a priority appears in several documents, such as the strategic human capital plan, reports to Congress, and other operational plans.</li> </ol> <p>NOTE: One objective may relate to several program elements or one element may relate to several objectives.</p>
<p><b>Rationale:</b></p> <p>This indicator is demonstrated. DOD has demonstrated a high level of accountability at both the Department and Component levels by ensuring implementation of the NSPS was considered a priority in key planning documents and communications. For example, the <i>Civilian Human Capital Strategic Plan</i> builds on the human capital strategy outlined in the <i>Quadrennial Defense Review</i> and includes implementation of NSPS as a major goal. NSPS is also cited in news briefings given by senior leaders, and in other strategic and operational plans provided by the Department. In addition, the <i>Civilian Human Capital Strategic Plan</i> outlines specific objectives related to the implementation of the NSPS. An example of Component strategies is the Air Force “Spread the Word” briefings among senior leaders.</p>

PREPAREDNESS	
<b>Dimension:</b>	Leadership Commitment – <i>Agency leaders are actively engaged in promoting and gaining workforce acceptance of the program, as well as prioritizing program implementation. Agency leaders provide appropriate resources for program implementation and are held accountable for effective execution.</i>
<b>Element:</b>	Accountability
<b>Indicator:</b>	Extent to which responsible senior leaders are held accountable for program implementation.
<b>Rating:</b>	Demonstrated
<b>Assessment Criteria:</b>	<ol style="list-style-type: none"> <li>1. Senior leaders with relevant human capital responsibilities are held accountable for relevant program performance parameters.</li> </ol>
<b>Rationale:</b>	<p>This indicator is demonstrated. Accountability has been appropriately cascaded throughout the Department. DOD demonstrated a high level of accountability by holding senior leaders responsible for key program performance parameters. This is evidenced by documents such as the <i>Civilian Human Capital Strategic Plan</i>, the <i>Quadrennial Defense Review</i>, Roles and Responsibilities memoranda, news briefings given by senior leaders, and other strategic and operational plans provided by the Department. More specifically, the <i>Civilian Human Capital Strategic Plan</i> addresses key NSPS performance parameters, including Agile and Responsive Workforce and Management Measures, Credible and Trusted System Measures, and Fiscally Sound System Measures. As an example of the Components following the Department's lead, the <i>Fiscal Year 2007 Air Force Posture</i>, presented by the Secretary of the Air Force and the Air Force Chief of Staff before the House Armed Services Committee, specifically addresses the implementation of the NSPS in the Department of the Air Force. (DOD reports all Components established an NSPS Program Management Office and set up varying mechanisms to support the program, including work groups such as the Navy's Integrated Product Team, and the Army's General Officer Steering Group.).</p>

PREPAREDNESS
<b>Dimension:</b> Leadership Commitment – <i>Agency leaders are actively engaged in promoting and gaining workforce acceptance of the program, as well as prioritizing program implementation. Agency leaders provide appropriate resources for program implementation and are held accountable for effective execution.</i>
<b>Element:</b> Resources
<b>Indicator:</b> Extent to which the agency provides appropriate authority, staffing, and budget to the Program Management Office (PMO).
<b>Rating: Demonstrated</b>
<b>Assessment Criteria:</b> The Department: <ol style="list-style-type: none"> <li>1. Provides clear and specific guidelines indicating the levels of authority held by the PMO and the Components.</li> <li>2. Has established a process to ensure there is adequate money available for program implementation and pay-pool funding.</li> <li>3. Provides adequate levels of staffing and resources for the office managing the program.</li> <li>4. Provides resources and support for deploying Component organizations, as required, to successfully meet agreed upon milestones.</li> </ol> Component organizations deploying the program: <ol style="list-style-type: none"> <li>1. Allocate adequate funding to support the program implementation.</li> </ol>
<b>Rationale:</b> This indicator is demonstrated. DOD demonstrated the appropriate provision of authority, staffing, and budget to the NSPS Program Executive Office (PEO). Various documents provided by the Department support the criteria for meeting this indicator, including: the <i>Fiscal Year 2007 Defense Budget Statement Before the Senate Appropriations Committee</i> , which contains detailed information on the Department's allotment of resources and its ability to fund the NSPS program; NSPS Overarching Integrated Product Team (OIPT) and PEO Charters, which indicate authorities and responsibilities for NSPS design and implementation work groups formed within these organizations; a memorandum on NSPS Financial Management Policies for Spiral 1.1 from June 20, 2006; and an NSPS pay setting guide, entitled <i>Manager's Interim Guidance for Establishing Pay for Employees in NSPS</i> .

PREPAREDNESS
<b>Dimension:</b> Leadership Commitment – <i>Agency leaders are actively engaged in promoting and gaining workforce acceptance of the program, as well as prioritizing program implementation. Agency leaders provide appropriate resources for program implementation and are held accountable for effective execution.</i>
<b>Element:</b> Governance
<b>Indicator:</b> Extent to which the agency has established and utilizes an effective mechanism for identifying and resolving critical issues associated with the program design, development, and implementation.
<b>Rating: Demonstrated</b>
<b>Assessment Criteria:</b> <ol style="list-style-type: none"> <li>1. A process/strategy to identify and resolve design, development, and implementation issues has been established.</li> <li>2. Key officials include key players in issue resolution.</li> <li>3. Issues and lessons learned are shared periodically across the Department and deploying Component organizations as they occur.</li> </ol>
<b>Rationale:</b> <p>This indicator is demonstrated. DOD has established successful processes by which critical issues associated with the NSPS program design, development, and implementation can be identified and resolved. Evidence of Governance criteria within DOD can be found in the NSPS OIPT and PEO Charters, which indicate authorities and responsibilities for NSPS design and implementation work groups formed within these organizations. DOD also established a Senior Advisory Group (SAG) to the PEO, as demonstrated by the NSPS SAG Charter signed by the Program Executive Officer for NSPS on September 14, 2004, which sets up a governance structure for the whole of the NSPS. This group consists of Line and HR senior leaders from across the Department and serves as the governing body for the NSPS. In addition, senior level groups established by DOD and its Components provide a mechanism for sharing lessons learned as they relate to the design, development, and implementation of the NSPS.</p>

PREPAREDNESS
<b>Dimension:</b> Open Communication – <i>Agency provides accurate, up-to-date information on system features and implementation plans. Active outreach efforts are undertaken to provide information to employees and to address questions and concerns. Effective mechanisms are in place for gathering and considering feedback.</i>
<b>Element:</b> Information Access
<b>Indicator:</b> Extent to which the program website(s) is (are) comprehensive and fully utilized by employees.
<b>Rating: Demonstrated</b>
<b>Assessment Criteria:</b> <ol style="list-style-type: none"> <li>1. The program website(s) has detailed information about the program legislation, regulations, implementing directives, and instructions; and comprehensive information regarding the program system components and features.</li> <li>2. The program website(s) has detailed information about the implementation plan such as rollout schedules and other appropriate data such as fact sheets, FAQs, user guides, on-line training, and points-of-contact.</li> <li>3. The website(s) offers considerable information directing employees to key resources and events providing employees with more information about the program.</li> </ol>
<b>Rationale:</b> <p>This indicator is demonstrated. The NSPS website offers detailed and comprehensive information on the NSPS program, including program legislation, regulations, system components, and schedules. Program information is provided to the user in the form of web demos, brochures, user guides, fact sheets, briefings, FAQs, on-line training and additional training resources. The related Component websites complement the NSPS website by providing similar program information as it relates to a particular department within DOD. For example, the Army HR website homepage allows the user to click on an NSPS link to access a host of materials and resources offering specific information on NSPS implementation in the Army. In addition, NSPS and Component website statistics indicate these websites are fully utilized by employees.</p>

PREPAREDNESS	
<b>Dimension:</b> Open Communication – <i>Agency provides accurate, up-to-date information on system features and implementation plans. Active outreach efforts are undertaken to provide information to employees and to address questions and concerns. Effective mechanisms are in place for gathering and considering feedback.</i>	
<b>Element:</b> Outreach	
<b>Indicator:</b> Frequency, variety, and quality of employee outreach efforts.	
<b>Rating: Demonstrated</b>	
<b>Assessment Criteria:</b> <ol style="list-style-type: none"> <li>1. A comprehensive communication strategy is developed and executed in support of the program.</li> <li>2. Efforts are made to coordinate and align Department and deploying Component organization communications.</li> <li>3. Comprehensive and up-to-date program information is provided to employees through various channels, such as websites, briefings, conferences, CD-ROMS, fact sheets, e-mail, web broadcasts, satellite broadcast messages, bulletins, brown bag and town hall meetings, etc.</li> </ol>	
<b>Rationale:</b> <p>This indicator is demonstrated. DOD has established an effective communication strategy to support frequent, high quality employee outreach efforts related to the NSPS. Evidence of an evolving communication strategy is found in various communication and campaign plans provided by the Department. The frequency of communication and outreach efforts is demonstrated in numerous formats, including: town hall briefings; NSPS fact sheets, fliers, and memoranda; workgroup communication meeting notes; <i>Communicating with Your Staff</i> and <i>Communicating with Your Supervisor</i> brochures; and NSPS News and Outreach Articles and Updates. For example, the Communications and Outreach Working Group's Lessons Learned Workshop briefing from June 22, 2006 indicates a commitment to improving an established communications strategy. In addition, the Air Force's recent <i>Roll Call</i> (Week of 26 January 07 – 1 February 07) released by the Principal Deputy Undersecretary of Defense for Personnel and Readiness demonstrates the Department's continual outreach efforts. Most of the communication and outreach material provided by DOD can also be found on the NSPS website.</p>	

PREPAREDNESS
<b>Dimension:</b> Open Communication – <i>Agency provides accurate, up-to-date information on system features and implementation plans. Active outreach efforts are undertaken to provide information to employees and to address questions and concerns. Effective mechanisms are in place for gathering and considering feedback.</i>
<b>Element:</b> Feedback
<b>Indicator:</b> Availability of employee feedback mechanisms.
<b>Rating: Demonstrated</b>
<b>Assessment Criteria:</b> <ol style="list-style-type: none"> <li>1. Feedback is continually sought from employees through a variety of feedback mechanisms such as surveys, employee feedback e-mail boxes, focus groups, etc.</li> <li>2. An “open communication” environment, which encourages employees to give feedback is created, as demonstrated by the frequent use of employee feedback mechanisms.</li> </ol>
<b>Rationale:</b> <p>This indicator is demonstrated. DOD demonstrated its use of employee feedback mechanisms through the SOF-C survey, the NSPS website, and various outreach and communications materials provided. For example, the NSPS website offers DOD employees an opportunity to provide relevant input through feedback web pages and points of contact. In addition, the <i>Talking Points on Major Changes to NSPS Regulations</i> document from October 2005 references a public comment period and a statutory “meet and confer” period, which were used to gather input on the NSPS from employees, supervisors, union representatives, and the general public. A Meet and Confer briefing from March 5, 2007 affirms this claim. The National Security Personnel System (NSPS) Evaluation Plan also includes a process by which the Department will continue to seek feedback from employees.</p>

PREPAREDNESS
<b>Dimension:</b> Open Communication – <i>Agency provides accurate, up-to-date information on system features and implementation plans. Active outreach efforts are undertaken to provide information to employees and to address questions and concerns. Effective mechanisms are in place for gathering and considering feedback.</i>
<b>Element:</b> Feedback
<b>Indicator:</b> Extent to which employee feedback is considered.
<b>Rating: Demonstrated</b>
<b>Assessment Criteria:</b> <ol style="list-style-type: none"> <li>1. Employee feedback is used to shape the program design, development, and implementation.</li> <li>2. Employee feedback is used to inform the content, timing and channels used for program communications.</li> <li>3. Specific employee feedback regarding the program, such as questions, concerns, and suggestions, is promptly responded to or otherwise appropriately addressed.</li> </ol>
<b>Rationale:</b> <p>This indicator is demonstrated. DOD provided evidence employee feedback was used to shape the program. Some examples of the impact of employee feedback on the program were found in the SOF-C survey and in other documentation provided by the Department. For example, the <i>Talking Points on Major Changes to NSPS Regulations</i> document from October 2005, specifically states changes proposed to the NSPS regulations were the result of over 58,000 comments made by employees and additional input sought from union representatives, employees, supervisors, and the general public during a public comment period and a statutory “meet and confer” period. Also, changes were made to NSPS training based on feedback from the pilot run with the Naval Sea Systems Command. Focus groups were conducted with employees and supervisors to obtain feedback on the DOD NSPS Implementing Issuances. Employees make active use of the NSPS website and each query to the ‘Contact Us’ feature on the website is responded to individually. Employee comments and feedback have led to such materials as FAQs, fact sheets, and the feature “And the Answer Is...” posted on the website.</p>

PREPAREDNESS
<b>Dimension:</b> Training - <i>Agency develops and executes a comprehensive training strategy for effective training on relevant components of the program to users via a range of delivery methods.</i>
<b>Element:</b> Planning
<b>Indicator:</b> Existence of a comprehensive training strategy.
<b>Rating: Demonstrated</b>
<p><b>Assessment Criteria:</b></p> <ol style="list-style-type: none"> <li>1. The training strategy addresses training requirements, training delivery, responsible parties for training, a method for recording training completions, methods of sustaining and supplementing training, training communications, and a schedule for delivery.</li> <li>2. The plan calls for training to be provided to each spiral prior to implementation of the program.</li> <li>3. Specific training requirements are identified for employees, supervisors, managers, senior leaders, pay-pool managers, and HR practitioners. Performance management competencies for supervisors and managers are covered.</li> <li>4. A variety of training delivery options are offered (forums, workshops, classroom-based, web-based, instructor-led, off-site, e-learning guides).</li> <li>5. There is an effective structure to prioritize, develop, coordinate, provide technical assistance, and share assets for the training program supporting the alternate personnel system.</li> <li>6. There is a strategy for continuing training in the future when new employees enter the organization and/or when new spirals begin implementation.</li> <li>7. The strategy includes the fundamentals of change management training for employees including aspects of:             <ul style="list-style-type: none"> <li>o Understanding, communicating, and dealing with change.</li> <li>o Development and communication of performance expectations.</li> <li>o Feedback and coaching.</li> </ul> </li> <li>8. It also includes detailed technical/operational training for target audiences in the following areas, as appropriate:             <ul style="list-style-type: none"> <li>o System operations (e.g., staffing flexibilities, reduction in force, etc.).</li> <li>o Pay-pool models and supporting IT.</li> <li>o Payout determination.</li> <li>o Discipline and appeals.</li> <li>o Implementation and operation of the performance management system.</li> </ul> </li> </ol>
<p><b>Rationale:</b></p> <p>This indicator is demonstrated. DOD has established a comprehensive and evolving training strategy, as demonstrated in various training documents including: Department training plans; The Air Force's NSPS Training Tracks information; NSPS Learning Roadmaps; the Senior Leader Toolkit; training requirements documents; training syllabi and course descriptions; and training brochures, briefings, schedules, and bulletins. For example, the OIPT <i>Pay Pool Management Training Update</i> presentation from July 20, 2006, provides evidence of the following: the existence of training planning sessions; a variety of training delivery options, including simulation-based training, NSPS conferences, and instructor/participant user guides; an ongoing training schedule; training communication and outreach efforts; and methods for gathering feedback and improving training based on this information. Training requirements for employees are clearly identified, documented, and communicated, as demonstrated by the <i>NSPS Performance Indicators with Associated Descriptors</i> document. In addition, training course descriptions highlight the extensiveness of both the technical and operational training opportunities available. Roles and responsibilities are clearly described in several training and</p>

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communication materials, including the NSPS Learning Roadmaps. Overall, the training documentation provided by DOD offers an effective strategy for promoting, updating, improving, delivering, tracking, communicating, and continuing critical NSPS training.

PREPAREDNESS
<b>Dimension:</b> Training - <i>Agency develops and executes a comprehensive training strategy for effective training on relevant components of the program to users via a range of delivery methods.</i>
<b>Element:</b> Delivery
<b>Indicator:</b> Extent to which senior leaders, supervisors, and staff receive timely, high-quality training.
<b>Rating: Demonstrated</b>
<b>Assessment Criteria:</b> <ol style="list-style-type: none"> <li>1. Training delivery is comprehensive and covers applicable elements of the program (e.g., classification, compensation, performance management, pay-pool management, staffing, workforce shaping and automated tools) and includes specific instructions on how to create performance plans/performance objectives.</li> <li>2. A significant majority of sampled target audiences (employees, supervisors, senior leaders, and HR professionals) are trained on applicable elements prior to the implementation of each major phase of the program.</li> <li>3. A significant majority of sampled supervisors and senior leaders are trained on the performance management competencies selected by the Department.</li> <li>4. Process or instructions for registering for training are clear and easy to follow.</li> <li>5. Most employees rate the training classes as useful.</li> </ol>
<b>Rationale:</b> <p>This indicator is demonstrated. DOD demonstrated the effective and efficient delivery of NSPS training initiatives in training evaluation reports, training benchmark reports, NSPS Training Tracks, and other NSPS training planning and communication documents. For example, the Air Force's NSPS Training Tracks document provides guidance to major commands for implementing NSPS training and identifies all NSPS training necessary for managers, supervisors, employees, HR Practitioners, Train-the-Trainers, Pay Pool Managers, and Senior Leaders. Course descriptions of the NSPS classes offered indicate NSPS training initiatives cover applicable elements of the program, including classification, compensation, performance management, pay-pool management, staffing, workforce shaping and automated tools. The training evaluation reports developed by DOD's NSPS training contractor are evidence program training classes were deemed useful by participants. The NSPS website provided users with clear and easy instructions for the online registration of NSPS training courses. The NSPS Training Report, which can now be pulled from DOD's Defense Civilian Personnel Data System (DCPDS), will be a valuable tool to support and track delivery of training as NSPS implementation continues.</p>

PREPAREDNESS	
<b>Dimension:</b> Stakeholder Involvement – <i>Stakeholders are actively involved in the design, development, and implementation of the program.</i>	
<b>Element:</b> Inclusion	
<b>Indicator:</b> Extent to which stakeholder groups are engaged in the program design, development, and implementation processes.	
<b>Rating:</b> Demonstrated	
<b>Assessment Criteria:</b>	
<ol style="list-style-type: none"> <li>1. Implementation of a process by which stakeholder groups will play an active role in achieving design, development, and implementation milestones is demonstrated.</li> <li>2. Stakeholder groups and stakeholder group interests have been identified.</li> <li>3. Feedback is sought from key stakeholder groups throughout stages of the program design, development, and implementation.</li> </ol>	
<b>Rationale:</b>	
<p>This indicator is demonstrated. DOD has established a process by which stakeholders are engaged in the design, development, and implementation of the NSPS, as demonstrated in Congressional hearings and various NSPS briefings and communication documents. DOD responded to comments received about the proposed NSPS regulations, developed implementing issuances in concert with employee representatives, established work groups consisting of Component representatives to develop NSPS, and held meetings with such groups as the Federal Managers Association. For example, the <i>Talking Points on Major Changes to NSPS Regulations</i> document from October 2005 references a public comment period and a statutory “meet and confer” period, which were used to make changes to final NSPS regulations based on input from key stakeholders, including employees, supervisors, union representatives, and the general public. A Meet and Confer briefing affirms this claim. In addition, the <i>Revised Final Communications Plan</i> from September 2005 and Section 9901.106 of the Final Rule indicate an ongoing collaboration with employee representatives and other stakeholders in achieving NSPS milestones.</p>	

PREPAREDNESS
<p><b>Dimension:</b> Implementation Planning – <i>Agency establishes and implements a comprehensive planning process, which coordinates activities across key work streams, such as HR business processes and procedures, tools and technology infrastructure, and change management, while providing mechanisms for assessing status and managing risk.</i></p>
<p><b>Element:</b> Work Stream Planning and Coordination</p>
<p><b>Indicator:</b> Extent to which the agency has established an effective work stream planning and coordination process to manage the program design, development, and implementation.</p>
<p><b>Rating: Demonstrated</b></p>
<p><b>Assessment Criteria:</b></p> <ol style="list-style-type: none"> <li>1. The Department has specific work stream planning and coordination processes to manage the program design, development and implementation.</li> <li>2. Implementation plans are tailored for each deploying Component organization, and the plans outline implementation milestones for program elements such as conversion to the program, compensation architecture, performance management, classification, staffing and employment, and workforce shaping. NOTE: One milestone may cover several program elements and one element may be part of several milestones.</li> <li>3. Roles and responsibilities related to the program design, development, and implementation are defined and communicated.</li> <li>4. Implementation plans meet internal guidelines.</li> </ol>
<p><b>Rationale:</b></p> <p>This indicator is demonstrated. DOD established an effective work stream planning and coordination process, as demonstrated in the <i>NSPS Requirements Document</i>, the NSPS Implementing Issuances, implementation plans, and other planning and coordination documents for the implementation of the NSPS. For example, the Implementing Issuances formalize the NSPS program design, delegate authority, and denote responsibilities to support the effective implementation of the program. In addition, these issuances address key milestones for program elements, such as Conversion to NSPS, Classification, Compensation, Performance Management, Staffing and Employment, and Workforce Shaping. The <i>Spiral 1.3 as of January 24, 2007</i> briefing describes how the implementation schedule and plan were met for NSPS Spiral 1.1. Furthermore, the common Readiness Tool guides and monitors the status of deployment. This web-enabled tool includes checklists of common milestone activities to prepare for and carry out NSPS deployment, a linked schedule, and internal programming, which automatically highlights the status of major deployment functions.</p>

PREPAREDNESS
<b>Dimension:</b> Implementation Planning – <i>Agency establishes and implements a comprehensive planning process, which coordinates activities across key work streams, such as HR business processes and procedures, tools and technology infrastructure, and change management, while providing mechanisms for assessing status and managing risk.</i>
<b>Element:</b> HR Business Processes and Procedures
<b>Indicator:</b> Extent to which the agency has documented roles, responsibilities, policies, and procedures for major elements of the program (e.g., performance management, pay-pool administration, pay setting, and/or related areas).
<b>Rating: Demonstrated</b>
<b>Assessment Criteria:</b> <ol style="list-style-type: none"> <li>1. The roles, responsibilities, policies, and procedures for the elements of the program are formally identified and documented.</li> <li>2. Information about the roles, responsibilities, policies, and procedures for the elements of the program has been communicated effectively and is readily available to the workforce and is transparent to the workforce.</li> </ol>
<b>Rationale:</b> <p>This indicator is demonstrated. DOD successfully identified and documented the roles, responsibilities, policies, and procedures for the elements of the NSPS, as evidenced by the NSPS <i>Requirements Document</i>, NSPS Implementing Issuances, and guides and tutorials related to the major elements of the program. For example, the Implementing Issuances formalize the NSPS program design, delegate authority, and denote responsibilities to support the effective implementation of the program. In addition, the issuances contain subchapters to address key milestones for program elements, such as Conversion to NSPS, Classification, Compensation, Performance Management, Staffing and Employment, and Workforce Shaping. Further guidance on key elements of the program is provided in guides such as the <i>Pay Pool Management Guide</i> and <i>The NSPS Guide to Processing Personnel Actions Supplement</i>. A tutorial on the NSPS website labeled, <i>Establishing a Performance Plan Overview</i>, is an excellent example of a critical NSPS implementation procedure that is readily available to the DOD workforce.</p>

PREPAREDNESS
<p><b>Dimension:</b> Implementation Planning – <i>Agency establishes and implements a comprehensive planning process, which coordinates activities across key work streams, such as HR business processes and procedures, tools and technology infrastructure, and change management, while providing mechanisms for assessing status and managing risk.</i></p>
<p><b>Element:</b> Tools and Technology Infrastructure</p>
<p><b>Indicator:</b> Extent to which the program planning process provides for the design, development, and implementation of automated IT systems and tools, which enable the program, such as performance management, pay-pool administration, and data conversion, and the extent to which the agency carries out the plan.</p>
Rating: Demonstrated
<p><b>Assessment Criteria:</b></p> <ol style="list-style-type: none"> <li>1. An IT strategy or plan is developed and successfully executed enabling modifications to accommodate program employees.</li> <li>2. IT components and software programs are accessible to users with appropriate permissions.</li> <li>3. IT software programs are capable of generating personnel actions, reports, analyses, and deliverables necessary for the Alternative Personnel System transactions and records and for evaluation of the system.</li> </ol>
<p><b>Rationale:</b></p> <p>This indicator is demonstrated. DOD has established a process by which IT systems and tools are implemented to enable the NSPS, as demonstrated by the NSPS Readiness Tool, NSPS Implementing Issuances, the <i>NSPS Assessment: Status Update on NSPS Support</i> briefing, and other procedural NSPS implementation documents provided by the Department. For example, questions in the Readiness Tool regarding specific IT requirements indicate an IT strategy has been developed and is being carried out. In addition, the <i>NSPS Assessment: Status Update on NSPS Support</i> briefing indicates a detailed IT strategy and requirements for the Defense Civilian Personnel Data System (DCPDS) and the website regarding NSPS functionality and DCPDS (<a href="http://www.cpms.osd.mil/hrbits/latestinfo/nspsfunctionality.aspx">http://www.cpms.osd.mil/hrbits/latestinfo/nspsfunctionality.aspx</a>) provides specific information as to how DCPDS can be used to support NSPS.</p>

PREPAREDNESS
<b>Dimension:</b> Implementation Planning – <i>Agency establishes and implements a comprehensive planning process, which coordinates activities across key work streams, such as HR business processes and procedures, tools and technology infrastructure, and change management, while providing mechanisms for assessing status and managing risk.</i>
<b>Element:</b> Change Management
<b>Indicator:</b> Extent to which the agency establishes, maintains, and executes a comprehensive change management strategy include components such as leadership commitment, communications, stakeholder management, training transition issues, and promote organization change readiness and employee acceptance of the program.
<b>Rating: Demonstrated</b>
<b>Assessment Criteria:</b> <ol style="list-style-type: none"> <li>1. Change management strategies/activities adequately address the following aspects: leadership commitment, communications, stakeholder management, training, and transition issues.</li> <li>2. Change management strategies/activities promote organizational readiness and employee acceptance of the program, as demonstrated by leadership engagement, stakeholder involvement, and open communication.</li> </ol>
<b>Rationale:</b> <p>This indicator is demonstrated. DOD has established, maintained, and executed a change management strategy, as evidenced by change management training opportunities and documents, including <i>Communicating With Your Staff</i> and <i>Communicating With Your Supervisor</i> brochures, the Senior Leader’s <i>Helping Organizations Thrive Under NSPS</i> brochure, <i>Driving Organizational Change</i>, and <i>A Roadmap for Leading Change</i> documents. The <i>Communicating With Your Staff</i>, <i>Communicating With Your Supervisor</i>, and <i>Helping Organizations Thrive Under NSPS</i> brochures are examples of specific change management documents, which address key components of the program and are made readily available to the workforce. In addition, the <i>Driving Organizational Change</i> document relates NSPS to specific mission and organizational goals. Similarly, <i>A Roadmap for Leading Change</i> relates NSPS to the total force concept of the Quadrennial Defense Review. These documents promote organizational readiness and employee acceptance of the program.</p>

PROGRESS
<b>Dimension:</b> Mission Alignment – <i>The program effectively links individual, team, and unit performance to organizational goals and desired results.</i>
<b>Element:</b> Line of Sight
<b>Indicator:</b> Percentage of employees with performance plans with individual goals linked to agency missions/goals using the agency's documented process.
<b>Rating: Demonstrated</b>
<b>Assessment Criteria:</b> <ol style="list-style-type: none"> <li>1. Implementation of a process by which organizational goals can be aligned with individual performance goals.</li> <li>2. A significant majority of sampled employees covered by the program have performance plans include individual goals aligned with identified organizational, team, and/or supervisor goals.</li> </ol>
<b>Rationale:</b> <p>This indicator is demonstrated. DOD has established a process by which organizational goals can be aligned with individual performance goals. This process is stated in the subchapter on performance management in the Implementing Issuances, and the NSPS Performance Plan form supports alignment. DOD has sufficiently demonstrated a majority of employees covered by the program have performance plans, which include individual goals, aligned with identified organizational, team, and/or supervisor goals. OPM's 2007 Performance System Report on the DOD SES Performance Management System states the contribution to mission accomplishment element is prepared in consultation with senior leadership to create clear and transparent alignment. This begins the line of sight process, which is further addressed in the performance plans of NSPS employees. The March 2007 PAAT indicates 95% of NSPS employees' performance plans are aligned with organizational goals, based on a stratified random sampling of performance plans from all Components included in Spiral 1.1 of NSPS. The sample performance plans DOD submitted with the PAAT results support alignment has been accomplished.</p>

## Appendix E

PROGRESS
<b>Dimension:</b> Mission Alignment – <i>The program effectively links individual, team, and unit performance to organizational goals and desired results.</i>
<b>Element:</b> Line of Sight
<b>Indicator:</b> Perception of Employee Line of Sight Items.
<b>Rating: Not Ratable</b>
<b>Assessment Criteria:</b> <ol style="list-style-type: none"><li>1. <i>Item #1: I know how my work relates to my agency's goals and priorities. After year two following program implementation, positive responses remain stable, and any net decrease going forward is minimal.</i></li><li>2. <i>Item #2: My manager effectively communicates the goals and priorities of my organization. After year two following program implementation, positive responses remain stable, and any net decrease going forward is minimal.</i></li></ol>

## Appendix E

<b>PROGRESS</b>	
<b>Dimension:</b>	Mission Alignment – <i>The program effectively links individual, team, and unit performance to organizational goals and desired results.</i>
<b>Element:</b>	Accountability
<b>Indicator:</b>	Extent to which individuals are held accountable for the achievement of individual performance objectives linked to the Organization’s mission and goals.
<b>Rating:</b>	<b>Demonstrated</b>
<b>Assessment Criteria:</b>	<ol style="list-style-type: none"> <li>1. A significant majority of sampled individual performance plans include credible measures and targets aligned with the Organization’s mission/goals.</li> </ol>
<b>Rationale:</b>	<p>This indicator is demonstrated. DOD sufficiently demonstrated a majority of individual performance plans included credible measures and targets aligned with the Organization’s mission/goals. The March 2007 PAAT submission indicates 84% of NSPS employees’ performance plans contain credible measures of performance as determined by a stratified random sampling of performance plans from all Components included in Spiral 1.1 of NSPS. The sample performance plans DOD submitted with the PAAT results support the plans contain credible measures. Furthermore, the 2007 OPM SES Performance System Report for DOD states each plan contained a result-focused element: Contribution to Mission Accomplishment. The majority of the performance plans had appropriate forms of measurement for the stated results, which demonstrates DOD is meeting the accountability criteria for its executive workforce.</p>

## Appendix E

<b>PROGRESS</b>	
<b>Dimension:</b>	Results-Oriented Performance Culture – <i>The program promotes a high performance workforce by differentiating between high and low performers and by rewarding employees on the basis of performance.</i>
<b>Element:</b>	Differentiating Performance
<b>Indicator:</b>	The perception performance ratings appropriately differentiate levels of performance.
<b>Rating:</b>	<b>Demonstrated</b>
<b>Assessment Criteria:</b>	<ol style="list-style-type: none"> <li>1. The distribution of performance ratings is reviewed by the appropriate leadership to assure accuracy and consistency in ratings throughout the DOD.</li> <li>2. <i>Item #1: In my work unit, steps are taken to deal with a poor performer who cannot or will not improve.</i> During the first 3 years following the program implementation, positive responses remain stable. For the next 7 years after year 3, positive responses increase.</li> <li>3. <i>Item #2: In my work unit, differences in performance are recognized in a meaningful way.</i> During the first 3 years following the program implementation, positive responses remain stable. For the next seven years after year 3, positive responses increase.</li> </ol>
<b>Rationale:</b>	<p>This indicator is demonstrated. DOD demonstrated the distribution of performance ratings is reviewed by the appropriate leadership to assure accuracy and consistency in ratings in Subchapter 1940.11 of the Implementing Issuances, which assigns specific responsibility to pay pool managers and panels (see SC 1940.11.4.1) and provides detailed information on pay pool policies and procedures. The <i>Pay Pool Process at a Glance</i> document also states the pay pool process preserves the integrity of the NSPS performance management system by ensuring a higher-level review takes place and discussions regarding performance are made within the context of the mission and the organization.</p>

Note: Assessment Criteria #2 and #3 are not ratable at the present time. Thus, the rating of “demonstrated” pertains only to the first assessment criterion.

PROGRESS
<b>Dimension:</b> Results-Oriented Performance Culture – <i>The program promotes a high performance workforce by differentiating between high and low performers and by rewarding employees on the basis of performance.</i>
<b>Element:</b> Pay-for-Performance
<b>Indicator:</b> Association between performance rating and financial rewards.
<b>Rating: Demonstrated</b>
<b>Assessment Criteria:</b> <ol style="list-style-type: none"> <li>1. In the first year following program implementation, there is a high association between performance ratings and salary increases (allowing for pay band limits).</li> <li>2. In the first year following program implementation, there is a high association between performance ratings and bonuses.</li> <li>3. <i>Item #1: Awards in my work unit depend on how well employees perform their jobs.</i> During the first 3 years following the program implementation, positive responses remain stable. For the next seven years after year 3, positive responses increase.</li> <li>4. <i>Item #2: Pay raises in my work unit depend on how well employees perform their jobs.</i> During the first 3 years following the program implementation, positive responses remain stable. For the next seven years after year 3, positive responses increase.</li> </ol>
<b>Rationale:</b> <p>This indicator is demonstrated. DOD provided evidence of an association between performance ratings and financial rewards making clear higher performing employees received higher pay increases as well as larger bonuses. This is documented in the supplemental information submitted by DOD on March 27, 2007 showing the percentage of base salary increase provided for Spiral 1.1 employees by rating level. The March 2007 PAAT submission provides specific data about NSPS bonuses by amount and number based on NSPS assigned ratings of record.</p>

Note: Assessment Criteria #2 and #3 are not ratable at the present time. Thus, the rating of “demonstrated” pertains only to the first assessment criterion.

## Appendix E

PROGRESS
<b>Dimension:</b> Workforce Quality – <i>Agency retains its high performers, keeps employees satisfied and committed, attracts high-quality new hires, and transitions its low performers out of the organization.</i>
<b>Element:</b> Recruitment
<b>Indicator:</b> Perceived ability to attract high-quality new hires.
<b>Rating: Not Ratable</b>
<b>Assessment Criteria:</b> <ol style="list-style-type: none"><li>1. <i>Item #1: My work unit is able to recruit people with the right skills (supervisors only).</i> During the first 3 years following the program implementation, positive responses remain stable. For the next seven years after year 3, positive responses increase.</li></ol>

## Appendix E

PROGRESS	
<b>Dimension:</b>	Workforce Quality – <i>Agency retains its high performers, keeps employees satisfied and committed, attracts high-quality new hires, and transitions its low performers out of the organization.</i>
<b>Element:</b>	Flexibility
<b>Indicator:</b>	Flexibility Survey Items.
<b>Rating:</b>	Not Ratable
<b>Assessment Criteria:</b>	<ol style="list-style-type: none"> <li>1. <i>Item #1: I have the flexibility to use...(recruitment incentives, relocation incentives, retention incentives, student loan incentives, pay setting flexibilities).</i> Positive responses increase for the first 5 years after the program implementation.</li> <li>2. <i>Item #2: How easy is it for you to...(hire employees, relocate employees, reassign employees, reduce the size of your workforce, promote employees)?</i> Positive responses increase for the first five years after the program implementation.</li> </ol>

## Appendix E

PROGRESS
<b>Dimension:</b> Workforce Quality – <i>Agency retains its high performers, keeps employees satisfied and committed, attracts high-quality new hires, and transitions its low performers out of the organization.</i>
<b>Element:</b> Retention
<b>Indicator:</b> Association between performance ratings and employee turnover.
<b>Rating: Not Ratable</b>
<b>Assessment Criteria:</b> <ol style="list-style-type: none"><li>1. Employees with high performance ratings (4s and 5s) have a lower turnover rate than employees with low performance ratings (1s and 2s) following the implementation of the program.</li><li>2. Each year following implementation of the program, the turnover rate for high performers (4s and 5s) decreases for seven years.</li><li>3. Each year following implementation of the program, the turnover rate for low performers (1s and 2s) increases for seven years.</li></ol>

## Appendix E

PROGRESS	
<b>Dimension:</b>	Workforce Quality – <i>Agency retains its high performers, keeps employees satisfied and committed, attracts high-quality new hires, and transitions its low performers out of the organization.</i>
<b>Element:</b>	Employee Attitudes
<b>Indicator:</b>	Organizational Commitment Survey Items.
<b>Rating: Not Ratable</b>	
<b>Assessment Criteria:</b> <ol style="list-style-type: none"> <li>1. <i>Item #1: I recommend my organization as a good place to work. During the first three years following the program implementation, positive responses remain stable. For the next seven years after year three, positive responses increase.</i></li> <li>2. <i>Item #2: In my organization, leaders generate high levels of motivation and commitment to the workforce. During the first three years following the program implementation, positive responses remain stable. For the next seven years after year three, positive responses increase.</i></li> <li>3. <i>Alternative Item #2: My current performance management system motivates me to perform well. During the first three years following the program implementation, positive responses remain stable. For the next seven years after year three, positive responses increase.</i></li> </ol>	

## Appendix E

PROGRESS
<b>Dimension:</b> Workforce Quality – <i>Agency retains its high performers, keeps employees satisfied and committed, attracts high-quality new hires, and transitions its low performers out of the organization.</i>
<b>Element:</b> Employee Attitudes
<b>Indicator:</b> Job Satisfaction Index.
<b>Rating: Not Ratable</b>
<b>Assessment Criteria:</b> <ol style="list-style-type: none"><li>1. After year three following the program implementation, positive responses on the index remain stable and any net decrease going forward is minimal. Items comprising index:<ul style="list-style-type: none"><li>○ <i>Item #1: My work gives me a feeling of personal accomplishment.</i></li><li>○ <i>Item #2: I like the kind of work that I do.</i></li><li>○ <i>Alternative Item #2: How satisfied are you with the type of work you do?</i></li><li>○ <i>Item #3: The work I do is important.</i></li></ul></li></ol>

## Appendix E

PROGRESS	
<b>Dimension:</b>	Employee Perceptions – <i>The program promotes an environment of fairness and trust for employees, consistent with the Merit System Principles and free of Prohibited Personnel Practices.</i>
<b>Element:</b>	Fairness
<b>Indicator:</b>	Perception of Fairness Items.
<b>Rating:</b>	Not Ratable
<b>Assessment Criteria:</b>	<ol style="list-style-type: none"> <li>1. <i>Item #1: My performance appraisal is a fair reflection of my performance.</i> After year 3 following the program implementation, positive responses remain stable and any net decrease going forward is minimal.</li> <li>2. <i>Item #2: Arbitrary action, personal favoritism, and coercion for partisan political purposes are not tolerated.</i> After year 3 following the program implementation, positive responses remain stable and any net decrease going forward is minimal.</li> <li>3. <i>Item #3: Prohibited personnel practices (for example, illegally discriminating for or against any employee/applicant, obstructing a person's right to compete for employment, knowingly violating veterans' preference requirements) are not tolerated.</i> After year 3 following the program implementation, positive responses remain stable and any net decrease going forward is minimal.</li> <li>4. <i>Alternative Item #3: Managers/supervisors deal effectively with reports of prejudice and discrimination.</i> After year 3 following the program implementation, positive responses remain stable and any net decrease going forward is minimal.</li> </ol>

## Appendix E

PROGRESS
<b>Dimension:</b> Employee Perceptions – <i>The program promotes an environment of fairness and trust for employees, consistent with the Merit System Principles and free of Prohibited Personnel Practices.</i>
<b>Element:</b> Fairness
<b>Indicator:</b> Transparency.
<b>Rating: Not Ratable</b>
<b>Assessment Criteria:</b> <ol style="list-style-type: none"><li>1. Criteria and standards for assigning ratings and associated pay increases are defined and published.</li><li>2. General distribution of ratings and payout results are posted to a website, or other actions to make the results transparent to employees are undertaken.</li><li>3. Insights gained from workforce data, trends, and employee survey results regarding perceptions of fairness and trust are shared.</li><li>4. Measures being taken to improve perceptions of fairness and trust are identified and communicated, as appropriate.</li></ol>

## Appendix E

<b>PROGRESS</b>	
<b>Dimension:</b>	Employee Perceptions – <i>The program promotes an environment of fairness and trust for employees, consistent with the Merit System Principles and free of Prohibited Personnel Practices.</i>
<b>Element:</b>	Dispute Resolution
<b>Indicator:</b>	Perception of Disputes Item.
<b>Rating:</b>	<b>Not Ratable</b>
<b>Assessment Criteria:</b>	<ol style="list-style-type: none"> <li>1. <i>Item #1: Complaints, disputes, or grievances are resolved fairly in my work unit. After year 3 following the program implementation, positive responses remain stable and any net decrease going forward is minimal.</i></li> <li>2. <i>Alternative Item #1: Employees at this installation are treated fairly with regard to grievances. After year 3 following the program implementation, positive responses remain stable and any net decrease going forward is minimal.</i></li> <li>3. <i>Alternative Item #2: Procedures for reconsidering performance appraisal ratings are fair. After year 3 following the program implementation, positive responses remain stable and any net decrease going forward is minimal.</i></li> </ol>

## Appendix E

PROGRESS
<b>Dimension:</b> Employee Perceptions – <i>The program promotes an environment of fairness and trust for employees, consistent with the Merit System Principles and free of Prohibited Personnel Practices.</i>
<b>Element:</b> Trust
<b>Indicator:</b> Perception of Trust Item.
<b>Rating: Not Ratable</b>
<b>Assessment Criteria:</b> <ol style="list-style-type: none"><li>1. <i>Item #1: I have trust and confidence in my supervisor.</i> After year 2, following program implementation, positive responses remain stable, and any net decrease going forward is minimal.</li></ol>

PROGRESS	
<b>Dimension:</b>	Effective Implementation – <i>Agency demonstrates progress in implementing the program in accordance with its comprehensive planning process.</i>
<b>Element:</b>	Work Stream Planning and Status
<b>Indicator:</b>	Extent to which the implementation program is in compliance with the work stream planning process.
<b>Rating:</b>	<b>Demonstrated</b>
<b>Assessment Criteria:</b>	<ol style="list-style-type: none"> <li>1. A significant majority of the program implementation milestones are achieved within current agreed-upon timeframes.</li> </ol>
<b>Rationale:</b>	<p>This indicator is demonstrated. DOD demonstrated the majority of program implementation milestones were achieved within current agreed-upon timeframes in its work stream planning and coordination documentation. For example, the <i>Spiral 1.3 as of January 24, 2007</i> briefing describes how the NSPS implementation schedule and plan were met for Spiral 1.1. The Air Force congratulatory e-mail, which addresses the successful implementation of NSPS Spiral 1.1, is an additional example of the implementation program at work, based on thorough work stream planning and coordination.</p>

## Appendix E

PROGRESS	
<b>Dimension:</b>	Effective Implementation – <i>Agency demonstrates progress in implementing the program in accordance with its comprehensive planning process.</i>
<b>Element:</b>	Performance Management System Execution
<b>Indicator:</b>	Percentage of personal performance plans created by required date.
<b>Rating:</b>	<b>Demonstrated</b>
<b>Assessment Criteria:</b>	<ol style="list-style-type: none"><li>1. A significant majority of sampled eligible employees covered by the program have individual performance plans created within the identified timeframe.</li></ol>
<b>Rationale:</b>	This indicator is demonstrated. DOD provided evidence showing approximately 47% of employees had performance plans in place within 30 days of coming into NSPS and nearly 100% were in place by the end of the 60-day extension period.

## Appendix E

PROGRESS	
<b>Dimension:</b>	Effective Implementation – <i>Agency demonstrates progress in implementing the program in accordance with its comprehensive planning process.</i>
<b>Element:</b>	Performance Management System Execution
<b>Indicator:</b>	Percentage of employees who received an annual review.
<b>Rating:</b>	<b>Demonstrated</b>
<b>Assessment Criteria:</b>	<ol style="list-style-type: none"><li>1. A significant majority of sampled eligible employees covered by the program receive an annual performance review within the identified timeframe.</li></ol>
<b>Rationale:</b>	This indicator is demonstrated. DOD demonstrated that a majority of sampled eligible employees covered by the program had received an annual performance review within the identified timeframe, as indicated by a chart showing that 10,433 of the 10,931 employees in Spiral 1.1 received a rating. Thus, almost all of the Spiral 1.1 employees received an annual performance review.

## Appendix E

<b>PROGRESS</b>	
<b>Dimension:</b>	Effective Implementation – <i>Agency demonstrates progress in implementing the program in accordance with its comprehensive planning process.</i>
<b>Element:</b>	Employee Support for the Program
<b>Indicator:</b>	Extent employees support the manner in which the program has been implemented.
<b>Rating: Not Ratable</b>	
<b>Assessment Criteria:</b> <ol style="list-style-type: none"> <li><i>Item #1: Overall, what type of impact do you think the APS will have on personnel practices?</i> Following the initial launch of the program, each new group or spiral subsequently launching the program experiences a higher level of agreement with this item than the preceding group or spiral during a comparable time period.</li> <li><i>Item #2: Do you agree or disagree that the APS will improve processes for: hiring new employees; disciplining/correcting poor work performance; rewarding good work performance; linking pay to performance; classification of jobs by series and pay grade/pay band; communication between employees and supervisors; ensuring individual performance supports organizational mission effectiveness?</i> Following the initial launch of the program, each new group or spiral subsequently launching the program experiences a higher level of agreement with this item than the preceding group or spiral during a comparable time period.</li> </ol>	



***Appendix F: Department of Defense Data Call***



**Preparedness** [d](#)

Leadership Commitment Dimension	Element	Indicator	Proposed Data Sources	Provider
<b>LEADERSHIP COMMITMENT</b>  <i>Agency leaders are actively engaged in promoting and gaining workforce acceptance of the program, as well as prioritizing program implementation. Agency leaders provide appropriate resources for program implementation and are held accountable for effective execution.</i>	Engagement	Extent and sufficiency of senior leader participation in outreach events and senior leader communications designed to promote the program across the workforce	<p>The following information from PMO and Components:</p> <p>Internal reports, leadership/congressional briefings, and other representative material included in Communications/ Congressional Affairs containing summaries of the following documents (if not available, then documents themselves will suffice):</p> <ul style="list-style-type: none"> <li>• Briefing materials/talking points developed for leadership</li> <li>• Briefing schedules</li> <li>• Videos/Taped remarks</li> <li>• Slide Shows</li> <li>• Speeches</li> <li>• Congressional testimony</li> <li>• Internal leadership communications</li> <li>• Conference Information</li> <li>• Interviews with and memos from key leadership</li> <li>• Role/responsibility descriptions for senior leaders</li> </ul>	<ul style="list-style-type: none"> <li>• PMO</li> <li>• Website(s)</li> <li>• OPM</li> </ul>

## Appendix F

Leadership Commitment Dimension	Element	Indicator	Proposed Data Sources	Provider
	Accountability	Extent to which program implementation is identified as a priority in agency strategies or other appropriate planning documents	<ul style="list-style-type: none"> <li>• Strategic plans</li> <li>• Human capital plans/strategies</li> <li>• Mission/vision statement</li> <li>• Other DOD planning documents related to NSPS</li> </ul>	<ul style="list-style-type: none"> <li>• PMO</li> <li>• Website(s)</li> </ul>
		Extent to which responsible senior leaders are held accountable for program implementation in their individual performance plans	<ul style="list-style-type: none"> <li>• Organizational charts</li> <li>• Organizational plans describing the work of senior leaders</li> <li>• Memos from senior leadership laying out managerial responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>• PMO</li> <li>• OPM</li> <li>• DCPDS</li> </ul>
	Resources	Extent to which the agency provides appropriate authority, staffing, and budget to the program management office	<ul style="list-style-type: none"> <li>• List of program deployment teams and workgroups and information about their roles</li> <li>• Processes and procedures to ensure adequate staffing and budget plans (e.g., budget estimates provided to the Hill, policy and guidance on pay pool funding) for NSPS are in place</li> <li>• PMO Charter</li> <li>• Organizational Chart</li> </ul>	<ul style="list-style-type: none"> <li>• PMO</li> </ul>

## Appendix F

Leadership Commitment Dimension	Element	Indicator	Proposed Data Sources	Provider
	Governance	Extent to which the agency has established and utilizes an effective mechanism for identifying and resolving critical issues associated with the program design, development, and implementation	<ul style="list-style-type: none"> <li>• DOD directives or PMO procedures</li> <li>• DOD documents indicating the process for resolving design and implementation issues</li> <li>• Risk management strategy</li> <li>• Readiness tool</li> <li>• Other documents related to the roles of the Component Program Managers/Liaisons</li> </ul>	<ul style="list-style-type: none"> <li>• PMO</li> </ul>

## Appendix F

Open Communication Dimension	Element	Indicator	Proposed Data Sources	Provider
<b>OPEN COMMUNICATION</b>  <i>Agency provides accurate, up-to-date information on system features and implementation plans. Active outreach efforts are undertaken to provide information to all employees and address questions and concerns. Effective mechanisms are in place for gathering and considering feedback.</i>	Information Access	Extent to which the program website(s) is (are) comprehensive and fully utilized by employees	<ul style="list-style-type: none"> <li>• NSPS website(s),</li> <li>• NSPS website(s) usage reports</li> </ul>	<ul style="list-style-type: none"> <li>• Website(s)</li> </ul>

## Appendix F

Open Communication Dimension	Element	Indicator	Proposed Data Sources	Provider
	Outreach	Frequency, variety, and quality of employee outreach efforts	Primary source material or other materials such as internal reports, leadership/congressional briefings related to the following: <ul style="list-style-type: none"> <li>• Communication strategy</li> <li>• Outreach event records (<i>e.g., town hall meetings, web broadcasts, brown bags</i>)</li> <li>• Newsletters (web and paper versions)</li> <li>• Web updates</li> <li>• Awareness and Educational Materials</li> <li>• Videos</li> <li>• Website documents</li> <li>• Fact Sheets</li> <li>• Brochures</li> <li>• Marketing or Campaign Plan (or equivalent)</li> <li>• FAQs</li> <li>• Subscriber function of website</li> </ul>	<ul style="list-style-type: none"> <li>• PMO</li> <li>• Website(s)</li> </ul>
	Feedback	Availability of employee feedback mechanisms	<ul style="list-style-type: none"> <li>• Employee feedback venues such as surveys, websites, and meetings</li> <li>• Feedback database records</li> <li>• Documentation of the existence of focus groups, town halls, comments from the regulation comment period, union meetings</li> <li>• “Contact us” feature on website</li> <li>• Interviews of key staff</li> </ul>	<ul style="list-style-type: none"> <li>• PMO</li> </ul>

## Appendix F

Open Communication Dimension	Element	Indicator	Proposed Data Sources	Provider
		Extent to which employee feedback is considered	<ul style="list-style-type: none"> <li>• Procedures for considering employee feedback (<i>gathered through interviews, if necessary</i>)</li> <li>• Focus group/feedback reports and analysis</li> <li>• Documentation of specific changes based on employee comments</li> <li>• Final regulation: discussion of feedback</li> <li>• Interviews of key staff about the extent of consideration</li> </ul>	<ul style="list-style-type: none"> <li>• PMO</li> </ul>

## Appendix F

Training Dimension	Element	Indicator	Proposed Data Sources	Provider
<b>TRAINING</b>  <i>Agency develops and executes a comprehensive training strategy for effective training on relevant components of the program to users via a range of delivery methods.</i>	Planning	Existence of a comprehensive training strategy	<ul style="list-style-type: none"> <li>• Training strategy documents outlining interventions, target audiences, and methods of delivery planned in support of system launch</li> <li>• Training strategy documents outlining plans for sustaining training post-launch including planned interventions, target audiences, and methods of delivery</li> <li>• Training calendars/schedules</li> <li>• Lists of training interventions delivered by type of audience in support of system launch</li> <li>• Syllabi/curricula of training interventions (to see content/competencies covered)</li> <li>• Computer-based training offerings</li> <li>• Training related promotion and communications (websites, brochures, briefings, newsletters, e-mails)</li> <li>• Detailed training package and instructions from senior leadership on implementing training package</li> </ul>	<ul style="list-style-type: none"> <li>• OPM</li> <li>• Website(s)</li> <li>• PMO</li> </ul>

## Appendix F

Training Dimension	Element	Indicator	Proposed Data Sources	Provider
	Delivery	Extent to which senior leaders, supervisors, and staff receive timely, high-quality training	<ul style="list-style-type: none"> <li>• Training completion documents and records (including those available through personnel data system and readiness tool) showing:               <ul style="list-style-type: none"> <li>- % of target employees trained in each of the classes offered</li> <li>- % of target employees trained prior to conversion</li> <li>- training syllabi/curricula (indicating competencies trained)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• PMO</li> <li>• Website(s)</li> </ul>

## Appendix F

Stakeholder Involvement Dimension	Element	Indicator	Proposed Data Sources	Provider
<b>STAKEHOLDER INVOLVEMENT</b>  <i>Stakeholders are actively involved in the design, development, and implementation of the program.</i>	Inclusion	Extent to which stakeholder groups are engaged in the program design, development, and implementation processes	<ul style="list-style-type: none"> <li>• Identification of stakeholders (Communications and supplemental binder)</li> <li>• PMO documentation regarding the participation of key stakeholder groups in NSPS design, development, and implementation planning</li> <li>• Documentation indicating the agency has a process for collecting, consolidating, and considering input/ feedback provided by key stakeholder groups</li> <li>• PMO interviews documenting the impact stakeholders have on the design, development, and implementation of the NSPS</li> <li>• Lists of areas in which stakeholder feedback is sought (e.g., documentation of the existence of focus groups, town halls, comments from the regulation comment period, union meetings)</li> <li>• NSPS Final Rule Introduction</li> </ul>	<ul style="list-style-type: none"> <li>• PMO</li> <li>• OPM</li> </ul>

## Appendix F

Implementation Planning Dimension	Element	Indicator	Proposed Data Sources	Provider
<b>IMPLEMENTATION PLANNING</b>  <i>Agency establishes and implements a comprehensive planning process, which coordinates activities across key work streams, such as HR business processes and procedures, tools and technology infrastructure, and change management, while providing mechanisms for assessing status, and managing risk.</i>	Work stream Planning and Coordination	Extent to which the agency has established an effective work stream planning and coordination process to manage the program design, development, and implementation	<ul style="list-style-type: none"> <li>• Work stream planning and coordination documents (e.g., schedules, agendas, etc.)</li> <li>• NSPS operational plans</li> <li>• Methods for coordinating deployment activities (e.g. implementation kick-off meetings, weekly teleconferences, deployment facilitators)</li> </ul>	<ul style="list-style-type: none"> <li>• PMO</li> </ul>
	HR Business Processes and Procedures	Extent to which the agency has documented roles, responsibilities, policies, and procedures for each component of the program (e.g., performance management, pay-pool administration, pay setting, and/or related areas)	<ul style="list-style-type: none"> <li>• Implementing Issuances</li> <li>• Standard operating procedures and guides</li> <li>• Other documents, as appropriate, which define roles and responsibilities for performance management, pay pool administration, and/or related areas</li> </ul>	<ul style="list-style-type: none"> <li>• PMO</li> </ul>
	Tools and Technology Infrastructure	Extent to which the program planning process provides for the design, development, and implementation of automated IT systems and tools to enable the program, such as performance management, pay-pool administration, and data conversion, and extent to which the agency carries out the plan	<ul style="list-style-type: none"> <li>• Work stream planning and coordination documents</li> <li>• Documentation IT systems have been established or are in the process of being established to support NSPS</li> <li>• Documentation of the conversion process</li> <li>• PMO charter</li> </ul>	<ul style="list-style-type: none"> <li>• PMO</li> <li>• CPMS</li> </ul>

## Appendix F

Implementation Planning Dimension	Element	Indicator	Proposed Data Sources	Provider
	Change Management	Extent to which the agency establishes, maintains, and executes a comprehensive change management plan including components such as leadership commitment, communications, stakeholder management, training, transition issues, and promoting organizational change readiness and employee acceptance of the program	<ul style="list-style-type: none"> <li>• Website documentation explaining changes to employees</li> <li>• Examples of web broadcasts, town hall meetings, briefings, brochures, etc. showing the Department is promoting acceptance of change</li> <li>• Documentation of component Change Management program including scope and responsibilities; Change Agents (individuals in charge of change process)</li> <li>• Plans for continued leadership engagement</li> <li>• Requirements documentation</li> </ul>	<ul style="list-style-type: none"> <li>• PMO</li> <li>• Website(s)</li> </ul>

## Appendix F

### Progress [d](#)

Mission Alignment Dimension	Element	Indicator	Proposed Data Sources	Provider
<b>MISSION ALIGNMENT</b>  <i>The NSPS effectively links individual, team, and unit performance to organizational goals and desired results.</i>	Line of Sight	Percentage of employees with performance plans with individual goals linked to agency mission/goals using the agency's documented process	<ul style="list-style-type: none"> <li>Documentation from the PAAT, as appropriate, e.g., sample performance plans</li> <li>Individual performance plans, if needed</li> <li>DOD strategic and operational plans</li> </ul>	<ul style="list-style-type: none"> <li>PMO</li> <li>OPM</li> <li>DCPDS</li> <li>Website(s)</li> </ul>
		Perception of Employee Line of Sight Items	<ul style="list-style-type: none"> <li>Employee survey</li> </ul>	<ul style="list-style-type: none"> <li>OPM</li> <li>PMO reports, where applicable</li> </ul>
	Accountability	Extent to which individuals are held accountable for the achievement of individual performance objectives linked to the Organization's mission and goals	<ul style="list-style-type: none"> <li>Documentation from the PAAT, as appropriate</li> <li>Performance plans for individuals, as appropriate</li> </ul>	<ul style="list-style-type: none"> <li>PMO</li> <li>OPM</li> </ul>

## Appendix F

Results- Oriented Performance Culture Dimension	Element	Indicator	Proposed Data Sources	Provider
<b>RESULTS-ORIENTED PERFORMANCE CULTURE</b>  <i>The program promotes a high performance workforce by differentiating between high and low performers and rewarding employees on the basis of performance.</i>	Differentiating Performance	The perception performance ratings appropriately differentiate levels of performance	<ul style="list-style-type: none"> <li>Employee Survey</li> <li>Process for reviewing and assuring quality of ratings (Implementing Issuances, Pay Pool brochures)</li> </ul>	<ul style="list-style-type: none"> <li>CPDF (where current data exist)</li> <li>PMO</li> </ul>
	Pay-for-Performance	Association between performance rating and financial rewards	<ul style="list-style-type: none"> <li>Reports on the association between performance rating and financial rewards</li> </ul>	<ul style="list-style-type: none"> <li>CPDF (where current data exist)</li> <li>DCPDS</li> <li>PMO</li> </ul>

## Appendix F

Workforce Quality Dimension	Element	Indicator	Proposed Data Sources	Provider
<b>WORKFORCE QUALITY</b>  <i>Agency retains its high performers, keeps employees satisfied and committed, attracts high-quality new hires, and transitions its low performers out of the organization.</i>	Recruitment	Perceived ability to attract high-quality new hires	<ul style="list-style-type: none"> <li>Employee survey</li> </ul>	<ul style="list-style-type: none"> <li>OPM</li> <li>PMO</li> </ul>
	Flexibility	Future survey Item	<ul style="list-style-type: none"> <li>FHCS survey (future)</li> <li>SOF-C attitude survey data</li> <li>Recommended Item: Supervisors feel they have the flexibility needed to respond to workload or mission changes</li> </ul>	<ul style="list-style-type: none"> <li>OPM</li> <li>PMO</li> </ul>
	Retention	Association between performance ratings and employee turnover	<ul style="list-style-type: none"> <li>Reports of the association between performance rating and employee turnover/retention</li> </ul>	<ul style="list-style-type: none"> <li>CPDF (where current data exist)</li> <li>PMO</li> </ul>
	Employee Attitudes	Organizational Commitment Items	<ul style="list-style-type: none"> <li>Employee survey</li> </ul>	<ul style="list-style-type: none"> <li>OPM</li> <li>PMO</li> </ul>
		Job Satisfaction Index	<ul style="list-style-type: none"> <li>Employee survey</li> </ul>	<ul style="list-style-type: none"> <li>OPM</li> <li>PMO</li> </ul>

## Appendix F

Employee Perceptions Dimension	Element	Indicator	Proposed Data Sources	Provider
<b>EMPLOYEE PERCEPTIONS</b>  <i>The program promotes an environment of fairness and trust for all employees, consistent with the Merit System Principles and free of Prohibited Personnel Practices.</i>	Fairness	Perception of Fairness Items	<ul style="list-style-type: none"> <li>Employee survey</li> </ul>	<ul style="list-style-type: none"> <li>OPM</li> <li>PMO</li> </ul>
		Transparency	Actions promote transparency of ratings and results such as: <ul style="list-style-type: none"> <li>Specific process for making rating and payout determinations</li> <li>Outreach events and materials designed to educate employees regarding criteria used for making rating and pay determinations</li> <li>Distribution of ratings</li> <li>Exit interview results</li> <li>Insights from workforce data, trends, and FHCS/employee attitude survey results regarding perceptions of fairness and trust</li> </ul>	<ul style="list-style-type: none"> <li>PMO</li> </ul>
	Dispute Resolution	The perception disputes are resolved fairly	<ul style="list-style-type: none"> <li>Employee survey</li> </ul>	<ul style="list-style-type: none"> <li>OPM</li> <li>PMO</li> </ul>
	Trust	Perception of Trust Item	<ul style="list-style-type: none"> <li>Employee survey</li> </ul>	<ul style="list-style-type: none"> <li>OPM</li> <li>PMO</li> </ul>

## Appendix F

Effective Implementation Dimension	Element	Indicator	Proposed Data Sources	Provider
<b>EFFECTIVE IMPLEMENTATION</b>  <i>Agency demonstrates progress in implementing the program in accordance with its comprehensive planning process.</i>	Work stream Planning and Status	Extent to which the implementation program is in compliance with the work stream planning process	<ul style="list-style-type: none"> <li>Work stream planning and status documents/records</li> </ul>	<ul style="list-style-type: none"> <li>PMO</li> </ul>
	Performance Management System Execution	Percentage of personal performance plans created by required date	<ul style="list-style-type: none"> <li>Performance management system reports indicating percentage of personal performance plans created by required date</li> <li>PAAT, as appropriate</li> </ul>	<ul style="list-style-type: none"> <li>PMO</li> <li>DCPDS</li> </ul>
		Percentage of employees who receive an annual review	<ul style="list-style-type: none"> <li>Performance management system reports indicating percentage of employees receiving annual performance review</li> <li>PAAT, as appropriate</li> </ul>	<ul style="list-style-type: none"> <li>PMO</li> <li>DCPDS</li> </ul>
	Employee Support for the program	Extent to which employees express support for the manner in which the program has been implemented	<ul style="list-style-type: none"> <li>Employee survey</li> </ul>	<ul style="list-style-type: none"> <li>OPM</li> <li>PMO</li> </ul>

***Appendix G: Alternative Personnel System (APS)  
Assessment Process and Approach***



## Alternative Personnel Systems Assessment Process and Approach

The assessment process involves five steps:



This report explains the Assessment Framework, defines criteria for the assessment of Preparedness and Progress indicators, and then provides an assessment of DOD Progress and Preparedness against these criteria. The current report, which is step 5 of the assessment process, provides an overview of all five steps of the process with a focus on step 4.

### Step 1: Develop Assessment Framework

The first step in the assessment process was to develop the assessment framework. An APS Assessment Framework is an evaluation template for determining the extent to which an agency is adequately preparing for and progressing on the human capital transformation goals and objectives of its APS. The Framework includes assessment components, dimensions, elements, and indicators. In future assessments, step one will involve modifying or validating the current assessment framework.

#### *Framework and Demonstration Project Evaluation*

OPM's APS assessment approach is different from the approach utilized in previous demonstration projects. The APS assessment is based on a broad framework, while the purpose of demonstration project evaluation is to determine the impact of specific interventions and to assess whether these interventions will be beneficial government-wide. Thus, the APS Assessment Framework begins with the premise the personnel system changes have been shown to be effective, and it therefore assesses the extent to which these changes are meeting their intended objectives. In other words, the present Framework assesses Preparedness for APS implementation as well as progress in meeting the goals of the APS.

Agencies implementing APSs have developed detailed internal evaluation efforts, which need not be duplicated and which are designed to assist them in refining and improving APS operations. OPM's assessment, on the other hand, is intended to assess strategic issues, not designed to enable managers to better run their APSs. OPM has a responsibility to provide information regarding human capital management to its stakeholders. Thus, OPM's roles and responsibilities are best fulfilled by a strategic view, which answers overarching questions, while leveraging existing data and internal evaluations to the extent possible. The assessment itself is based on the qualitative comparison of agency Preparedness or Progress to a pattern of

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expectations generated by historical data and best-practice knowledge of the requirements for successful human capital transformation. This is in contrast to the traditional use of control groups (comparison groups) to determine the impact of specific reforms.

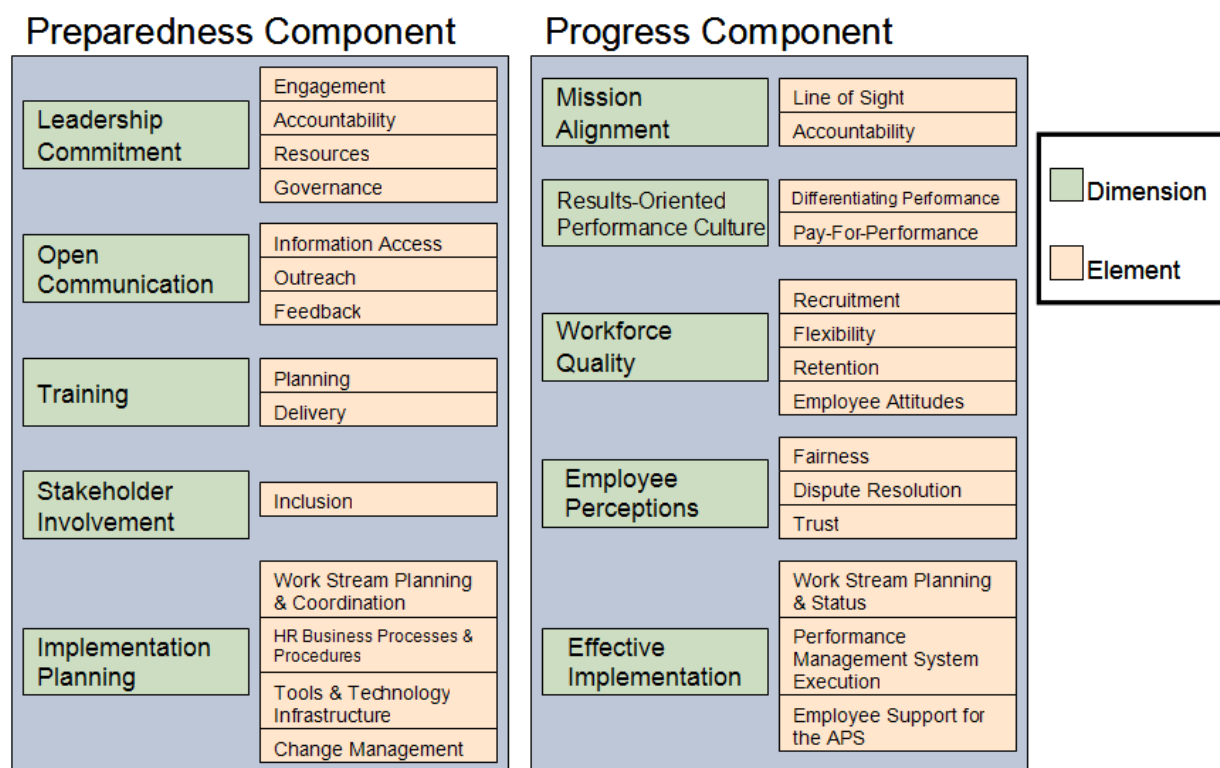
### *APS Assessment Framework and the HCAAF*

The APS assessment approach is based on the OPM Human Capital Accountability and Assessment Framework (HCAAF). The HCAAF is the framework OPM developed to implement those sections of the Chief Human Capital Officers Act of 2002 pertaining to human capital management and evaluation. Under HCAAF, agencies are required to develop human capital plans. An agency implementing an APS would be expected to include APS goals and objectives under each applicable HCAAF system in its human capital plan. The function of the HCAAF's Accountability System is to contribute to agency performance by monitoring and evaluating the results of its human capital management policies, programs, and activities, as documented in the agency human capital plan. The APS Assessment Framework provides comprehensive information about how to monitor and assess when preparing for and implementing an APS (or parts thereof). Since an agency's accountability system must provide for how the agency will assess meeting its goals and objectives, an agency implementing an APS would be expected to incorporate the APS Assessment Framework into its Accountability System. See Appendix B for a complete explanation of the place of the APS Assessment Framework in the HCAAF.

### *Current Framework*

Figure 1 provides an overview of the Alternative Personnel System Assessment Framework. This schematic portrays the relationship between key parts of this Framework, including components, dimensions, and elements, which are described below. See Appendix B for a complete depiction of the Assessment Framework, including the rationale for each dimension's inclusion in the framework.

Figure G-1 – Overview of the APS Assessment Framework



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**Components:** There are two *components* (or major parts) in the Framework: Preparedness and Progress. The Preparedness component refers to an agency's readiness to implement an APS. The Progress component addresses the extent to which the agency has achieved, or is in the process of achieving, the broad human capital transformation goals associated with an APS.

**Dimensions:** Each of the two components in the APS Assessment Framework includes five *dimensions*. A dimension is a key attribute of either the Preparedness or Progress component in the APS Assessment Framework. The dimensions of the Preparedness component include Leadership Commitment, Open Communication, Training, Stakeholder Involvement, and Implementation Planning. Agencies, which provide adequate emphasis and effort in the Preparedness dimensions, are well positioned to successfully implement an Alternative Personnel System. The dimensions of the Progress component include Mission Alignment, Results-Oriented Performance Culture, Workforce Quality, Employee Perceptions, and Effective Implementation. Agencies, which demonstrate progress in achieving these broad goals, are successfully implementing their APS.

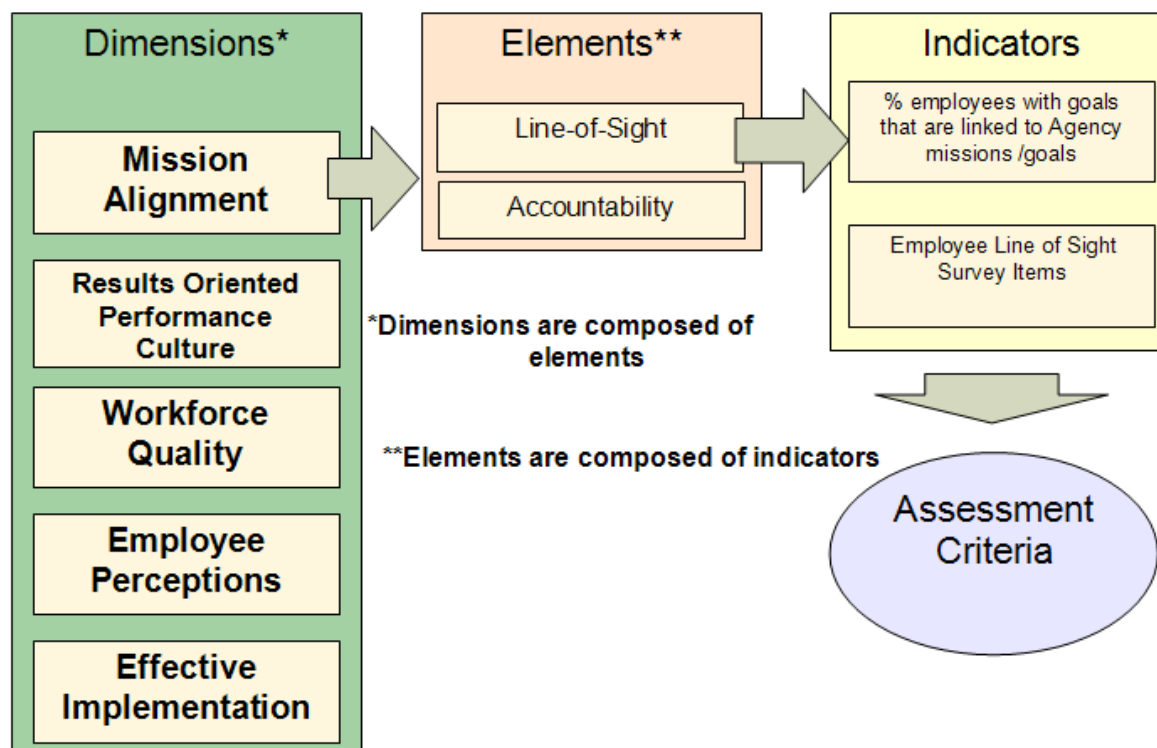
**Elements:** Each dimension in the Assessment Framework is made up of one to four separate elements. Elements are specific features, which define respective dimensions. For example, Leadership Commitment (a dimension of the Preparedness component) includes four elements: Engagement, Accountability, Resources, and Governance. In this example, leaders fully engaged in efforts to promote the APS, are accountable for driving the APS forward, dedicate

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sufficient resources and staff to the APS, and provide for effective governance demonstrate Leadership Commitment. Both the Preparedness and Progress components include 14 elements. Elements are made up of indicators, defined below.

*Indicators:* Each Assessment Framework element corresponds to one or more *indicators*. An indicator is a characteristic used for measuring or assessing the agency's performance against an element. For example, an indicator for the Line of Sight element of the Mission Alignment dimension in the Preparedness component includes the Employee Line of Sight Survey items. Figure 2 provides a summary of OPM's approach to using the APS Assessment Framework to assess agency performance in implementing the APS. This figure identifies the five dimensions associated with the Progress component. The Mission Alignment dimension is made up of the Line-of-Sight and Accountability elements. In turn, the Line-of-Sight element is defined by two indicators. Each indicator has a set of assessment criteria assigned to it (discussed below).

**Figure G-2 – APS Assessment Approach Example**



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## Step 2: Identify Assessment Criteria

The criteria for assessment of Preparedness and Progress dimensions and indicators are based on a combination of historical data, best practices, lessons learned associated with the implementation of APS programs and/or other enterprise-scale human capital systems, literature reviews, and input from subject matter experts. The specific criteria are provided later in this report, as part of the assessment ratings. See Figure 3 for an example of assessment criteria. See Appendix D for a complete representation of all assessment criteria.

**Figure G-3 – Assessment Criteria Example**

<b>Dimension:</b> <i>Mission Alignment – The program effectively links individual, team, and unit performance to organizational goals and desired results.</i>
<b>Element:</b> Line of Sight
<b>Indicator:</b> Percentage of employees with performance plans with individual goals that are linked to Agency missions/goals using the Agency's documented process.
<b>Assessment Criteria</b>
<ol style="list-style-type: none"> <li>1. Implementation of a process by which organizational goals can be aligned with individual performance goals.</li> <li>2. A significant majority of sampled employees covered by the program have performance plans that include individual goals aligned with identified organizational, team, and/or supervisor goals.</li> </ol>

[d](#)

## Step 3: Collect Data

Application of the APS Assessment Framework can include data collection from the following sources:

- OPM archives of data collected for the evaluation of demonstration projects and early APSs, including both survey results and objective data
- Federal Human Capital Survey databases
- Agency-specific employee surveys
- Agency internal APS evaluations
- Agency HR information systems and/or OPM's Central Personnel Data File (CPDF)
- Agency APS program office staff and/or CHCO staff
- APS or other agency websites
- Other publicly available documents, such as announcements and media reports regarding stakeholder participation in development of the APS
- Occasional in-person interviews with selected agency leaders, staff and/or employees

To the maximum extent possible, OPM used existing and readily available data and documentation and avoided creating new data requirements for the Department. As the data collection process proceeded, the assessment team created a formal data call, which was tailored to the Department of Defense and covered suggested data the Department might provide to document its accomplishments, to include individual data element codes, population covered, time period or “as of” date, and frequency of collection (see Appendix E for official data call). A list of suggested data sources was provided to assist DOD, although the Department was given the option of providing any data it felt best provided evidence of each relevant indicator.

### **Step 4: Conduct Assessment**

The fourth step in the assessment process involved conducting the actual assessment. An expert panel was formed and received training regarding the five-step panel process.

#### *Panel Members*

A six-member assessment panel reviewed relevant documentation associated with agency programs and materials. Overall, panel members had competencies in the following areas:

- Design, implementation, and evaluation of demonstration projects and/or alternative personnel systems
- Federal human capital leadership
- Program evaluation
- Design and implementation of major human capital systems

One panel member is currently OPM’s Human Capital Officer for the Department of Defense and the Intelligence Community. She has also held the position of auditor for OPM’s Center for Merit System Accountability. Prior to her work with OPM, she was an executive recruiter in the IT and banking industries. She has been a consultant in organizational development for the Department of the Navy, Department of the Army, and the U.S. Department of Labor. She holds the certification of a Senior Professional in Human Resources (SPHR) from the Society for Human Resource Management (SHRM).

After completing a 30-year government career as a senior human resources and information technology executive, the second panel member has worked as a management and HR consultant for the past eight years. His consulting engagements have included strategic workforce planning, performance management and compensation systems design, and evaluation of personnel demonstration projects.

Another panel member is a former senior executive and director of human resources in three Federal agencies, with extensive experience in design and implementation of all areas of human capital management at the operational and policy levels, including specific experience in establishing new human resources systems. Since her retirement from the Federal service, she has served as a consultant for key strategic human capital projects, including development of the USOPM

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### Human Capital Assessment and Accountability Framework and the Human Capital Accountability System.

After completing a 20-year career as a Naval Officer, one panel member joined the legal department of the U.S. Postal Service. As a postal attorney, he practiced corporate, labor and employment, and regulatory law. He subsequently managed the audit response group, which oversees all internal and external audit activity for the Postal Service. In May 2006, he joined the Office of Personnel Management as the program manager for program evaluation and leads the assessment of DOD-NSPS and DHS Personnel Management System, as well as the implementation and evaluation of Federal demonstration projects.

Another panel member is currently OPM's Lead Auditor for the Department of Defense on the Strengthening Agency Accountability initiative. In addition, she is an auditor for OPM's Center for Merit System Accountability. Prior to her work with OPM, she served in varied positions for 12 years as a Human Resources Specialist for the Department of the Army.

The final panel member has been involved in the compensation business for more than 25 years. He began his Federal government career as a wage specialist for the Department of Defense (DOD) Wage Fixing Authority, rising to its Director in DOD's Civilian Personnel Management Service. He left DOD in 1999 to design, develop and implement a performance-based pay system for managers in the Internal Revenue Service. With the Office of Personnel Management since 2003, he serves as the Deputy Associate Director for Performance and Pay Systems in the Strategic Human Resources Policy Division.

#### *Panel Training*

All panel members attended a one-day training workshop, covering the following topics:

- Description and background of the Assessment Framework, including usage of the executive dashboard
- Discussion of the assessment criteria and how to apply the criteria to the framework and the dashboard
- Brief history of the development of the NSPS in the Department of Defense
- Description of the assessment panel process, including guidance on how to use provided data and their own expert knowledge in order to arrive at an assessment
- Participation in a group exercise involving an example rating

In order to make their ratings, panel members received a packet containing a CD, a binder containing data provided by the Department, and an electronic rating form.

#### *Panel Process*

Panel members engaged in a five-step process.

**Document Review:** First, each member individually reviewed indicators and data sources and assessed each indicator using qualitative data analysis. *Qualitative analysis* consists of the assessment panel member reviewing a sample of documents associated

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with agency programs and materials, provided by the agency. Data sources were both electronic and hard copy and were organized for panel members by element. In order to determine whether reviewed documents support agency efforts to meet APS targets, content analysis was conducted (Stemler, 2001). Notes were kept on indicators being studied and common themes were identified. Comparisons of when key actions occurred, how well they were carried out, and what influenced both timing and quality of performance were explored. A protocol was developed to define the instruments, procedures, and ground rules for data analysis. Each panel member had two weeks to individually review documentation.

**Document Comparison:** Second, each panel member compared results of the document review to the assessment criteria established by OPM, based on literature review, expert input, best practices, and agency input.

**Rating:** Third, each panel member assigned a rating to each indicator. Each data indicator was assessed on a 2-point scale (“Preparedness/Progress demonstrated” or “Preparedness/Progress not demonstrated”).

**Documentation of Rating:** Fourth, each panel member documented his/her ratings and rationale for each rating and submitted the ratings by February 21, 2007. After the individual assessment, all individual ratings were compiled and inter-rater reliability was measured. *Inter-rater reliability* assesses the extent to which different raters agree on their ratings for any indicator. Initially the assessment panel had 100% agreement among panel members for 10 of the 22 ratable indicators. After a consensus meeting, there was 100% agreement among panel members for all 22 of the indicators.

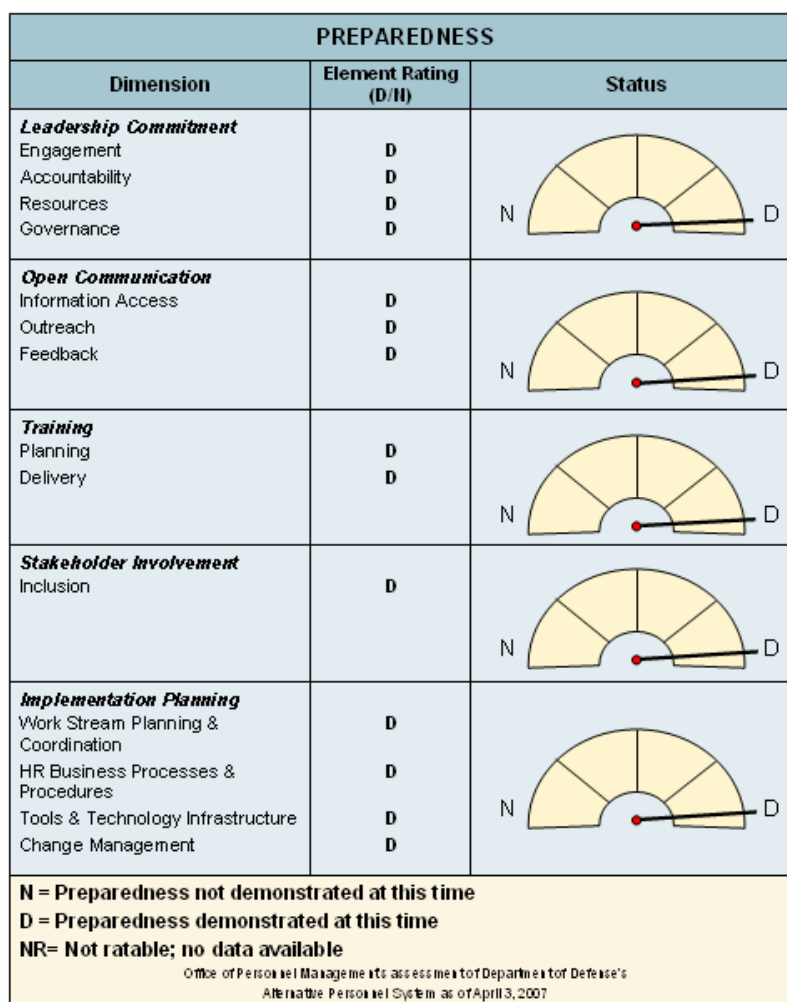
**Consensus Meeting:** Finally, in any area where there was not complete agreement about the specific rating for an indicator, the panel was called back to participate in a consensus meeting. All members of the expert panel were present at the consensus meeting, which took place on February 27, 2007 and lasted the full day. The meeting was facilitated by external consultants.

### *Panel Rating Procedure*

DOD was given an overall rating indicated by the placement of a “needle” on a dashboard for each dimension. This rating falls somewhere along a continuum between “not demonstrated” and “demonstrated” (see Figures 4a and 4b). The dimension rating is comprised of element ratings and element ratings are comprised of indicator ratings. Indicator ratings are based on fulfillment of assessment criteria.

For each indicator, an agency can receive an assessment of “Preparedness/Progress not demonstrated at this time” or “Preparedness/ Progress demonstrated at this time”. Likewise, for each element, an agency can receive the same assessment. These assessments are further defined below.

Figure G-4a – Executive Dashboard--Preparedness

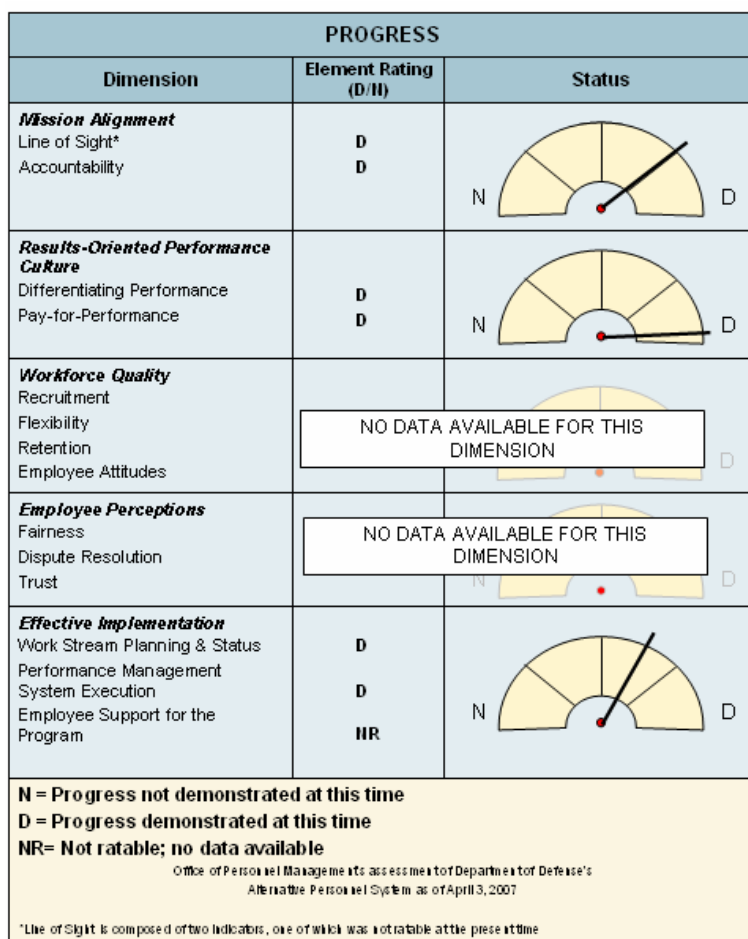


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**Preparedness Demonstrated at This Time [D]:** An agency has demonstrated Preparedness across the relevant assessment criteria/indicators of this element for the applicable phase of the APS program. In this context, “Preparedness demonstrated” means evidence provided shows the program meets the criteria for the indicator being assessed, as defined by the assessment criteria.

**Preparedness Not Demonstrated at This Time [N]:** An agency has not demonstrated Preparedness across the relevant assessment criteria/indicators of this element for the applicable phase of the APS program. In this context, “Preparedness not demonstrated” refers to the fact there is not yet data available or the evidence provided does not show the program meets the criteria for the indicator being assessed, as defined by the rating guidance and assessment criteria for the indicator. *Note:* A value of “not demonstrated” does not necessarily mean the program does not meet the criteria, rather the evidence provided was insufficient to show the program meets a particular criterion or set of criteria.

Figure G-4b – Executive Dashboard--Progress

[d](#)

**Progress Demonstrated at This Time [D]:** An agency has demonstrated Progress across the relevant assessment criteria/indicators of this element for the applicable phase of the APS program. In this context, “Progress demonstrated” means evidence provided shows the program meets the criteria for the indicator being assessed, as defined by the assessment criteria for the indicator, showing the agency is well-positioned to achieve the objectives of the APS after the full implementation of the system.

**Progress Not Demonstrated at This Time [N]:** An agency has not demonstrated Progress across the relevant assessment criteria/indicators of this element for the applicable phase of the APS program. In this context, “Progress not demonstrated” refers to the fact there is not yet data available or the evidence provided does not show the program meets the criteria for the indicator being assessed, as defined by the rating guidance and assessment criteria for the indicator, a sign an agency may be at risk of not meeting the objectives of the APS. *Note:* A value of “not demonstrated” does not necessarily mean the program does not meet the criteria, rather the evidence provided was insufficient to show the program meets a particular criterion or set of criteria.

As mentioned above, assessment criteria are used to assess indicators, indicators are used to assess elements, and elements are used to assess dimensions. The rating guidance provided below generally applies in all situations; however, members of the expert panel are able to provide their own judgment regarding the weight of particular indicators and elements in the final dimension rating.

**Assessment Criteria to Indicators:** Each indicator has a list of assessment criteria. An agency should fulfill all of the assessment criteria in order to receive a rating of “demonstrated” for any particular indicator. If any of the assessment criteria are not fulfilled, an agency will receive a rating of “not demonstrated”.

**Indicators to Elements:** Indicator ratings are rolled into element ratings. The majority of elements have one indicator. For these elements, if an agency receives a rating of “demonstrated” on the indicator, it will receive a rating of “demonstrated” on the element. Likewise, if an agency receives a rating of “not demonstrated” on the indicator, it will receive a rating of “not demonstrated” on the element. However, in cases where there are two indicators for a particular element, an agency will receive a rating of “demonstrated” for the element as long as it receives a rating of “demonstrated” for one of the two elements. It should be noted if an agency only fulfills one of the two indicators, the needle on the dashboard will reflect this. For example, in the Leadership Commitment Dimension, each element reflects roughly one quarter of the needle placement. The Accountability element has two indicators. If an agency fulfills only one of the two accountability indicators for this element, it would receive approximately 12.5% of the dashboard rating for this element (instead of the full 25%).

**Elements to Dimensions:** Element ratings are rolled into a dimension rating. Each dimension is comprised of a number of elements. Together, the elements represent 100% of the total rating on any dimension. Each element contributes equally to the dimension rating, as each of the dimensions is equally important for overall dimension success. For example, Leadership Commitment has four elements; thus, each element contributes to 25% of the rating on the leadership commitment dimension. The needle on the dashboard represents the rating for the dimension and portrays the percentage of the dimension an agency has demonstrated.

### Step 5: Assemble Report

The current implementation report documents the results of the assessment and includes an executive dashboard. The Executive Dashboard (see Figures 4a and 4b) is a summary-level assessment of APS Preparedness and Progress results for use by OPM and other stakeholders. The Dashboard provides OPM senior policymakers with an overview of APS status and identifies areas requiring special emphasis. It shows the level of Preparedness and Progress agencies have demonstrated. As discussed above, indicators assist OPM in assessing agency performance at the element level. Based on the indicator-level ratings, an agency is rated on each element as “Preparedness/Progress not demonstrated at this time” [N] or “Preparedness/Progress demonstrated at this time” [D].

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Results are then rolled up to the dimension level and are plotted along a continuum ranging from: “Preparedness/Progress demonstrated at this time” [D] to “Preparedness/Progress not demonstrated at this time” [N]. The rating scale in later assessments will include a trend arrow and stable status indicator. The stable status indicator shows the status of an agency on a particular dimension has remained stable since the last assessment. The trend arrow indicates the direction an agency is moving on a particular dimension since the last assessment. Note as the present assessment is the first assessment of NSPS, no trend arrows or status indicators are provided at this time.

***Appendix H: Response History for Employee  
Survey Items***



## ***Response History for Employee Survey Items\****

**Dimension:** Mission Alignment

**Element:** Line of Sight

**Indicator:** Perception of Employee Line of Sight Items

<b>Employee Survey Item:</b>	<b>May 2006 SOF-C (Spiral 1.1)</b>	<b>2006 FHCS (DOD overall)</b>
<b>Item #1:</b> I know how my work relates to my agency's goals and priorities. (2006 FHCS #19)		83%
<b>Item #2:</b> My manager effectively communicates the goals and priorities of my organization. (2006 FHCS #39)		57%
<b>Alternate #1:</b> My performance standards/expectations are directly related to my organization's mission. (SOF-C)	71%	

[d](#)

\* NSPS is the first civilian alternate personnel system to be implemented on a broad basis, across an entire Executive Department, which also is in fact the largest department in the Federal government. Employee attitude survey data will be used to assess several elements of the Progress Component of the APS Framework, which will continue to be applied to NSPS. Employee attitude survey data has also typically been used to assess other civilian alternate personnel systems. While these other systems have covered small populations, compared to the whole of DOD, survey data from these systems is presented in this appendix because it provides sound trend information about how employees' views may change under civilian alternate personnel systems and can therefore be useful to an Expert Panel in assessing the Progress Component.

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**Dimension:** Results-Oriented Performance Culture

**Element:** Differentiating Performance

**Indicator:** The perception performance ratings appropriately differentiate levels of performance

<b>Employee Survey Item:</b>	<b>May 2006 SOF-C (Spiral 1.1)</b>	<b>2006 FHCS (DOD overall)</b>
<b>Item #1:</b> In my work unit, steps are taken to deal with a poor performer who cannot or will not improve. (2006 FHCS #23)	Not asked	29%
<b>Item #2:</b> In my work unit, differences in performance are recognized in a meaningful way. (2006 FHCS #29)	37%	32%

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**Dimension:** Results-Oriented Performance Culture

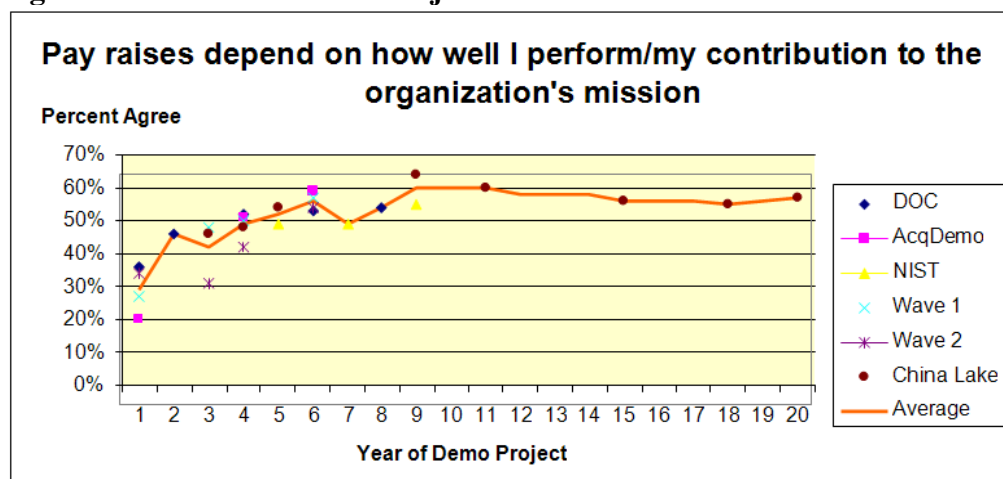
**Element:** Pay-for-Performance

**Indicator:** Association between performance rating and financial rewards

Employee Survey Item:	May 2006 SOF-C (Spiral 1.1)	2006 FHCS (DOD overall)
<b>Item #1:</b> Awards in my work unit depend on how well employees perform their jobs. (2006 FHCS #28)	62%	41%
<b>Item #2:</b> Pay raises in my work unit depend on how well employees perform their jobs. (2006 FHCS #27)	19%	22%

[d](#)

**Figure H-1: Demonstration Projects**



[d](#)

**DOC found participants with higher performance ratings received larger salary increases:**

Performance Rating	% Salary Increase (Year 3)	% Salary Increase (Year 5)	% Salary Increase (Year 7)
90-100	3.5%	3.2%	3.5%
80-89	2.6%	2.7%	3.5%
70-79	1.5%	2.0%	1.8%
60-69	.6%	.3%	.4%
50-59	.2%	.2%	.1%
40-49	.0%	.0%	.0%

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**Dimension:** Workforce Quality

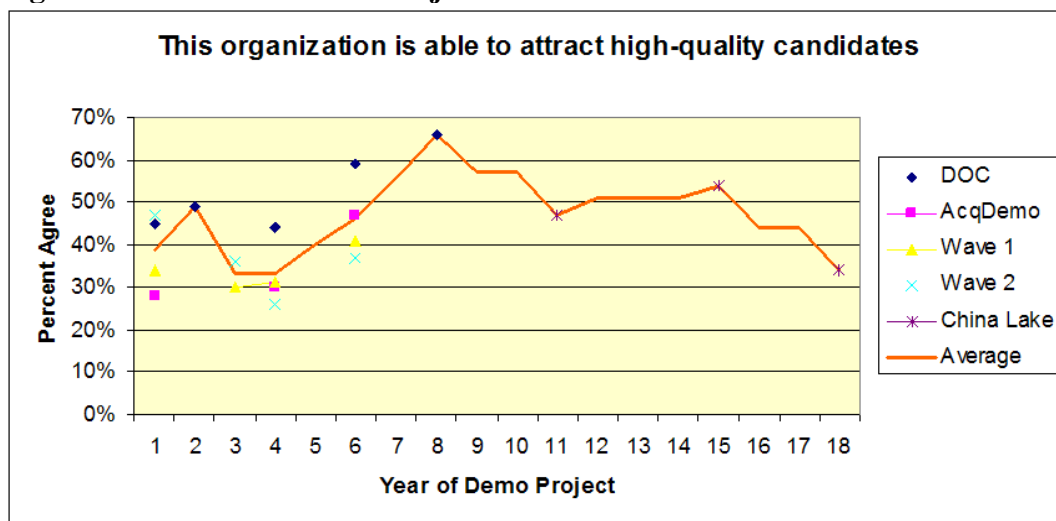
**Element:** Recruitment

**Indicator:** Perceived ability to attract high-quality new hires

Employee Survey Item:	May 2006 SOF-C (Spiral 1.1)	2006 FHCS (DOD overall)
<b>Item #1:</b> My work unit is able to recruit people with the right skills. (supervisors only)(2006 FHCS #14)	Not asked	44%

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**Figure H-2: Demonstration Projects**



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**Dimension:** Workforce Quality

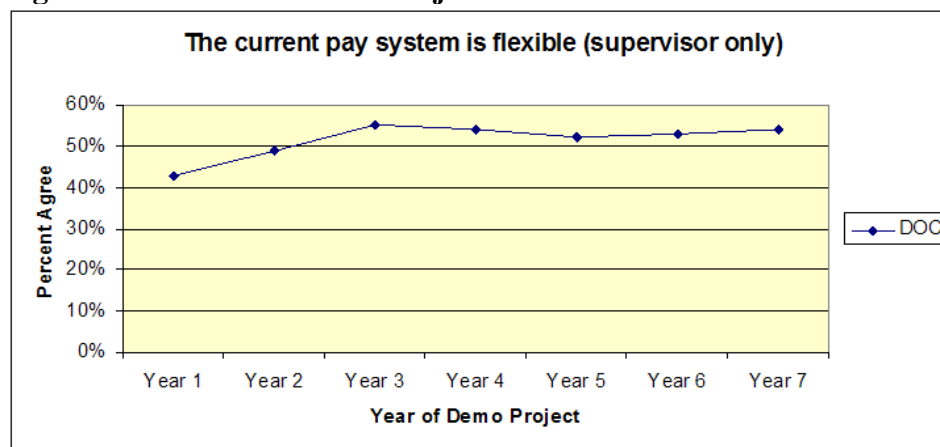
**Element:** Flexibility

**Indicator:** Flexibility Survey Items

<b>Employee Survey Item:</b>	<b>May 2006 SOF-C (Spiral 1.1)</b>	<b>2006 FHCS (DOD overall)</b>
<b>Item #1a:</b> I have the flexibility to use recruitment incentives. (SOF-C)	19%	Not asked
<b>Item #1b:</b> I have the flexibility to use relocation incentives. (SOF-C)	16%	Not asked
<b>Item #1c:</b> I have the flexibility to use retention incentives. (SOF-C)	12%	Not asked
<b>Item #1d:</b> I have the flexibility to use student loan incentives. (SOF-C)	9%	Not asked
<b>Item #1e:</b> I have the flexibility to use pay setting flexibilities. (SOF-C)	20%	Not asked
<b>Item #2a:</b> How easy is it for you to hire employees? (SOF-C)	18%	Not asked
<b>Item #2b:</b> How easy is it for you to relocate employees? (SOF-C)	9%	Not asked
<b>Item #2c:</b> How easy is it for you to reassign employees? (SOF-C)	25%	Not asked
<b>Item #2d:</b> How easy is it for you to reduce the size of your workforce? (SOF-C)	10%	Not asked
<b>Item #2e:</b> How easy is it for you to promote employees? (SOF-C)	17%	Not asked

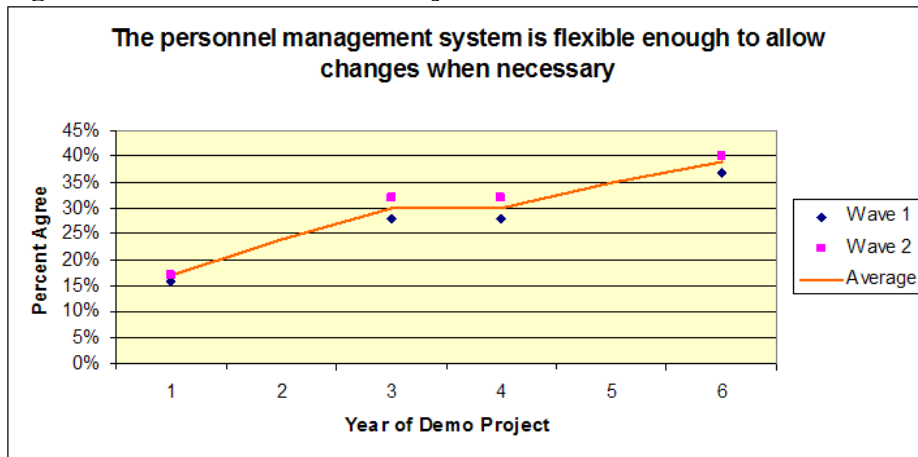
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**Figure H-3: Demonstration Projects**



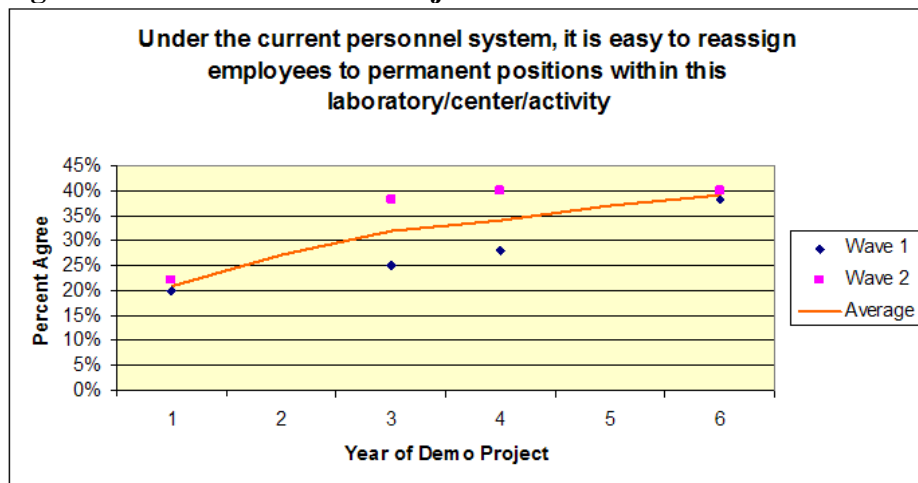
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**Figure H-4: Demonstration Projects**



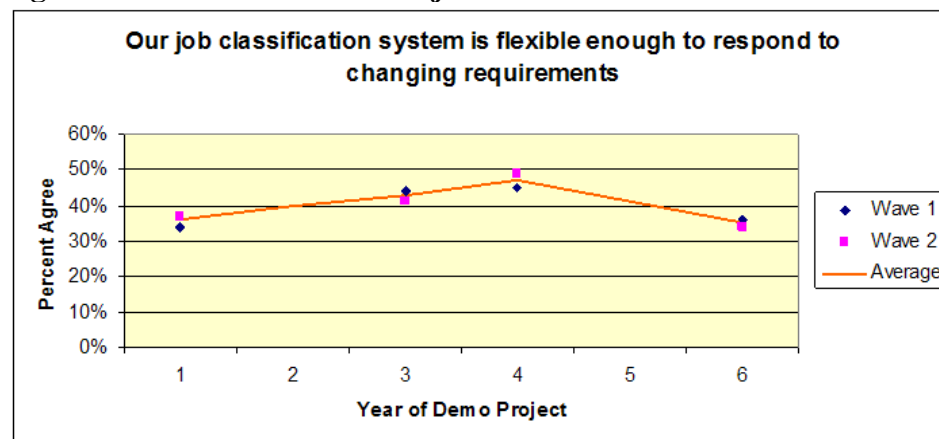
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**Figure H-5: Demonstration Projects**



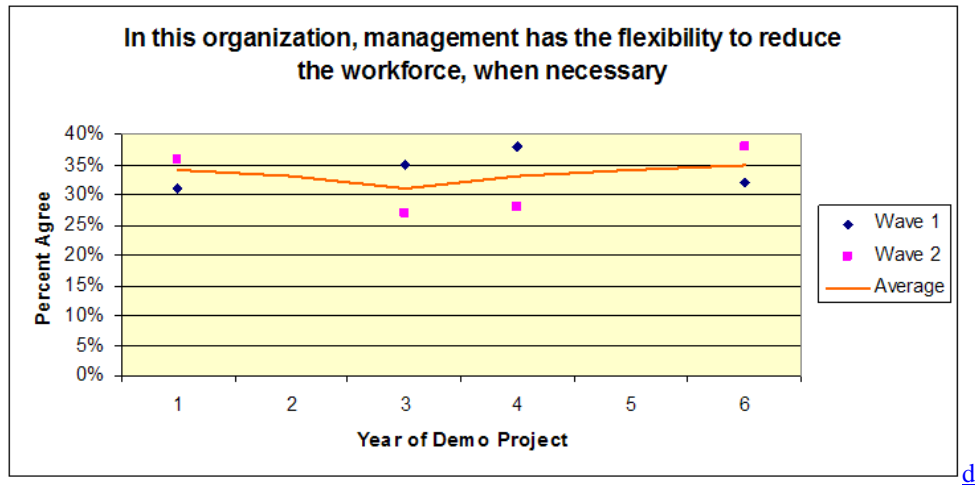
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**Figure H-6: Demonstration Projects**



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**Figure H-7: Demonstration Projects**



**Dimension:** Workforce Quality

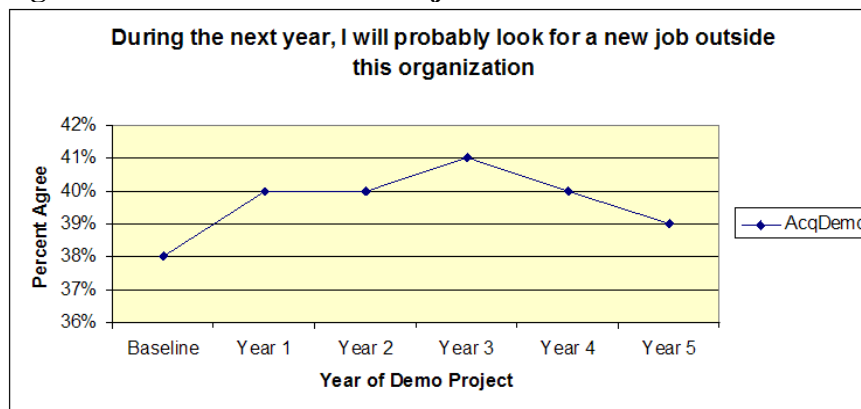
**Element:** Employee Attitudes

**Indicator:** Perception of Organizational Commitment Items

Employee Survey Item:	May 2006 SOF-C (Spiral 1.1)	2006 FHCS (DOD overall)
<b>Item #1:</b> I recommend my organization as a good place to work. (2006 FHCS #8)	Not asked	64%
<b>Item #2:</b> In my organization, leaders generate high levels of motivation and commitment to the workforce. (2006 FHCS #37)	Not asked	42%
<b>Alternative #2:</b> My current performance management system motivates me to perform well. (SOF-C)	43%	Not asked

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**Figure H-8: Demonstration Projects**



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**Dimension:** Workforce Quality

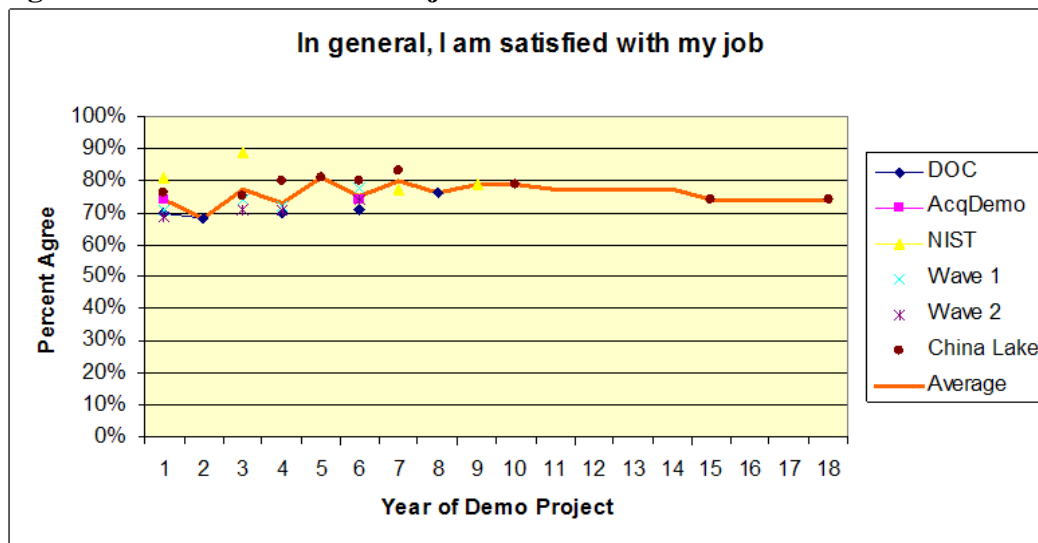
**Element:** Employee Attitudes

**Indicator:** Job Satisfaction Index

Employee Survey Item:	May 2006 SOF-C (Spiral 1.1)	2006 FHCS (DOD overall)
<b>Item #1:</b> My work gives me a feeling of personal accomplishment. (2006 FHCS #5)	Not asked	73%
<b>Item #2:</b> I like the kind of work that I do. (2006 FHCS #6)	Not asked	83%
<b>Alternate #2:</b> How satisfied are you with the type of work you do? (SOF-C)	82%	90%
<b>Item #3:</b> The work I do is important. (2006 FHCS #20)	Not asked	Not asked
<b>Index</b> (Average of #1, #2, and #3)	n/a	82%

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**Figure H-9: Demonstration Projects**



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**Dimension:** Employee Perceptions

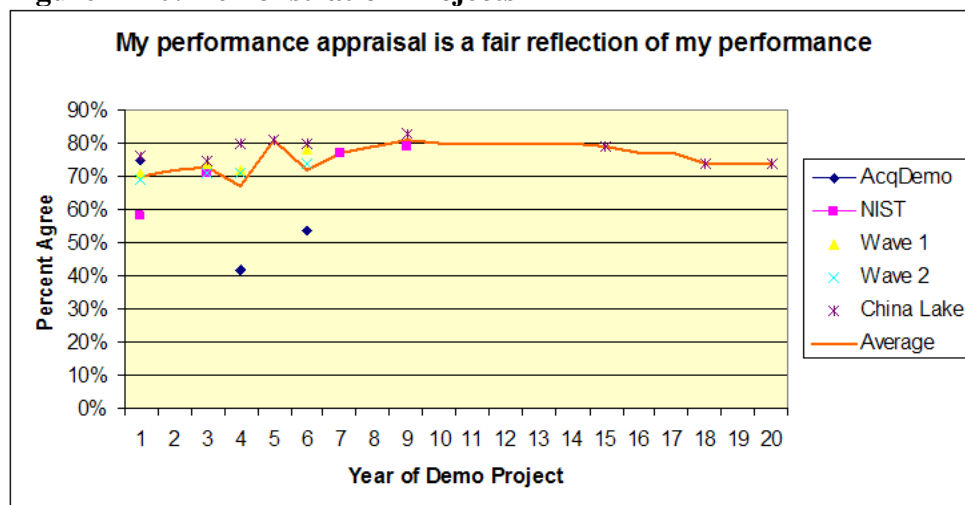
**Element:** Fairness

**Indicator:** Perception of Fairness Items

<b>Employee Survey Item:</b>	<b>May 2006 SOF-C (Spiral 1.1)</b>	<b>2006 FHCS (DOD overall)</b>
<b>Item #1:</b> My performance appraisal is a fair reflection of my performance. (2006 FHCS #30)	67%	68%
<b>Item #2:</b> Arbitrary action, personal favoritism and coercion for partisan political purposes are not tolerated. (2006 FHCS #44)	Not asked	46%
<b>Item #3:</b> Prohibited personnel practices (for example, illegally discriminating for or against any employee/applicant, obstructing a person's right to compete for employment, knowingly violating veterans' preference requirements) are not tolerated. (2006 FHCS #45)	Not asked	60%
<b>Alternate #3:</b> Managers/supervisors deal effectively with reports of prejudice and discrimination. (SOF-C)	52%	

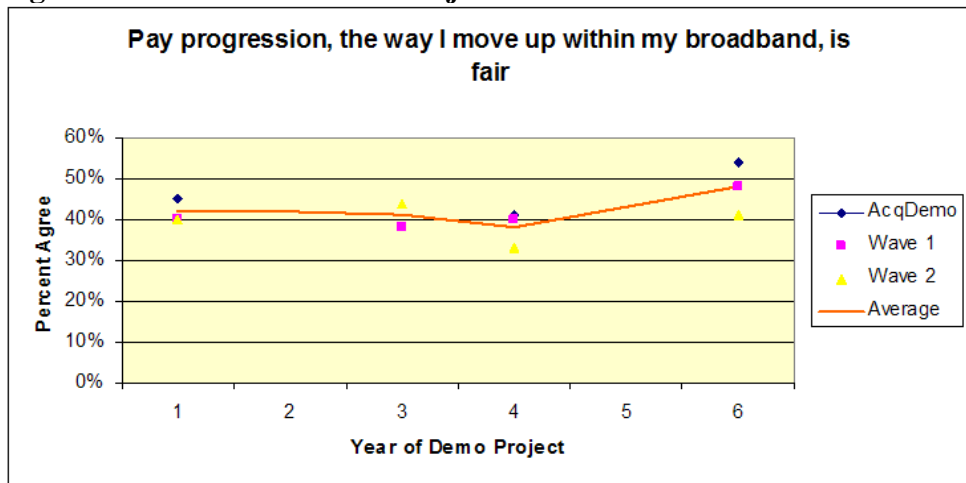
[d](#)

**Figure H-10: Demonstration Projects**



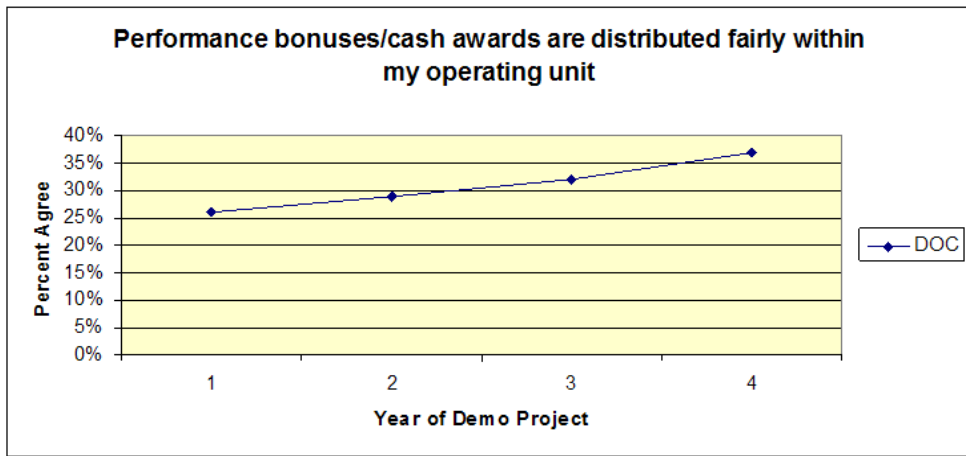
[d](#)

**Figure H-11: Demonstration Projects**



[d](#)

**Figure H-12: Demonstration Projects**



[d](#)

## Appendix H

**Dimension:** Employee Perceptions

**Element:** Dispute Resolution

**Indicator:** The perception disputes are resolved fairly

<b>Employee Survey Item:</b>	<b>May 2006 SOF-C (Spiral 1.1)</b>	<b>2006 FHCS (DOD overall)</b>
<b>Item #1:</b> Complaints, disputes, or grievances are resolved fairly in my work unit. (2006 FHCS #43)	Not asked	42%
<b>Alternate #1:</b> Employees at this installation are treated fairly with regard to grievances. (SOF-C)	34%	Not asked
<b>Alternate #2:</b> Procedures for reconsidering performance appraisal ratings are fair. (SOF-C)	39%	Not asked

[d](#)

**Dimension:** Employee Perceptions

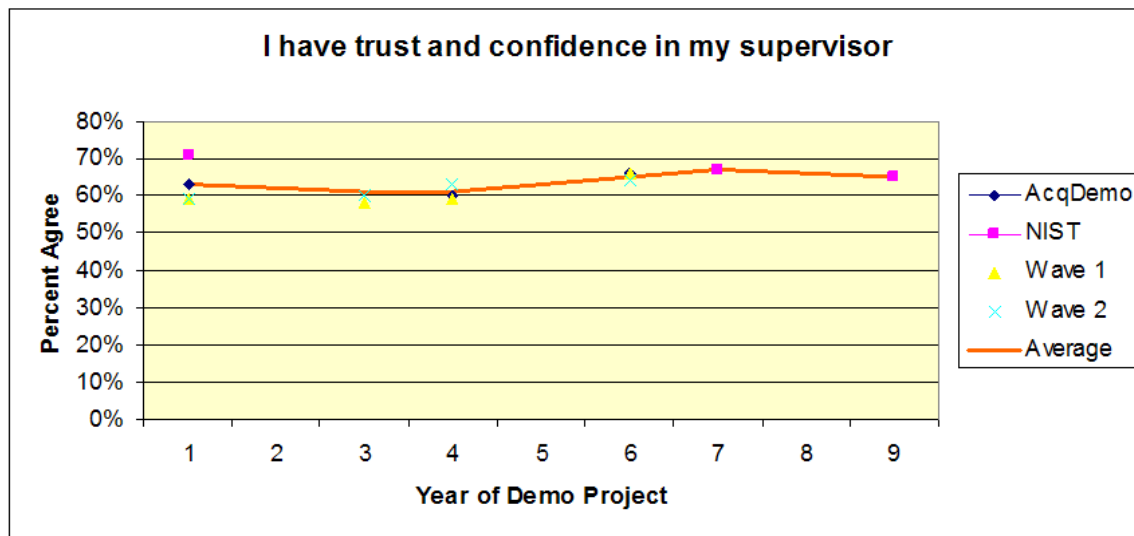
**Element:** Trust

**Indicator:** Perception of Trust Item

Employee Survey Item:	May 2006 SOF-C (Spiral 1.1)	2006 FHCS (DOD overall)
<b>Item #1:</b> I have trust and confidence in my supervisor. (2006 FHCS #7)	Not asked	36%

[d](#)

**Figure H-13: Demonstration Projects**



[d](#)

## Appendix H

**Dimension:** Effective Implementation

**Element:** Employee Support for the APS

**Indicator:** Extent to which employees support the manner in which the program has been implemented

<b>Employee Survey Item:</b>	<b>May 2006 SOF-C (Spiral 1.1)</b>	<b>2006 FHCS (DOD overall)</b>
<b>Item #1:</b> Overall, what type of impact do you think the APS will have on personnel practices? (SOF-C)	40%	Not asked
<b>Item #2a:</b> Do you agree or disagree the APS will improve processes for: hiring new employees? (SOF-C)	42%	Not asked
<b>Item #2b:</b> Do you agree or disagree the APS will improve processes for: disciplining/correcting poor work performance? (SOF-C)	48%	Not asked
<b>Item #2c:</b> Do you agree or disagree the APS will improve processes for: rewarding good work performance? (SOF-C)	50%	Not asked
<b>Item #2d:</b> Do you agree or disagree the APS will improve processes for: linking pay to performance? (SOF-C)	51%	Not asked
<b>Item #2e:</b> Do you agree or disagree the APS will improve processes for: classification of jobs by series and pay grade/pay band? (SOF-C)	39%	Not asked
<b>Item #2f:</b> Do you agree or disagree the APS will improve processes for: communication between employees and supervisors? (SOF-C)	51%	Not asked
<b>Item #2g:</b> Do you agree or disagree the APS will improve processes for: ensuring individual performance supports organizational mission effectiveness? (SOF-C)	51%	Not asked

[d](#)

## ***Appendix I: OPM Contact and Staff Acknowledgements***

<b>OPM Contact:</b>	Patsy Stevens, 202/606-1574 or <a href="mailto:patsy.stevens@opm.gov">patsy.stevens@opm.gov</a>
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